0150-03656-0110

TRANSMITTAL

TO	DATE	COUNCIL FILE
Janisse Quinones, General Manager Los Angeles Department of Water and Power	04/09/2025	
FROM		COUNCIL DISTRICT
The Mayor		ALL

REVISION TO THE PROPOSED RESOLUTION AUTHORIZING APPROVAL OF GENERAL MANAGER'S CERTIFICATES AND SUPPLEMENTAL CERTIFICATES RECOMMENDING APPROVAL OF LOS ANGELES DEPARTMENT OF WATER AND POWER OPEN ACCESS TRANSMISSION TARIFF AMENDMENT NO. 5 AND AMENDMENT NO. 6, DWP NO. BP 01-017

SINCE RELEASE OF THE CAO'S REPORT AND MAYORAL APPROVAL ON FEBRUARY 12, 2025, LADWP IDENTIFIED ATTACHMENTS THAT WERE INADVERTENTLY OMITTED IN THE ORIGINAL TRANSMISSION. CAO REVIEW CONFIRMS THE OMISSIONS ARE NOT MATERIAL AND DO NOT AFFECT THE CAO'S RECOMMENDATION TO APPROVE THE AMENDMENTS AS APPROVAL IS NECESSARY FOR LADWP TO CONTINUE PROVIDING NON-DISCRIMINATORY OPEN ACCESS TRANSMISSION AND INTERCONNECTION SERVICES ON LADWP'S TRANSMISSION SYSTEM, GENERATING REVENUE FROM THE SALE OF AVAILABLE TRANSMISSION CAPACITY IN EXCESS OF NATIVE LOAD NEEDS AND ITS SYSTEM, AND MORE EFFICIENTLY PROCESS AND STUDY INTERCONNECTION REQUESTS.

Transmitted for further processing and Council consideration.
See the City Administrative Officer report attached.

MAYOR
(Carolyn Webb de Macias for)

Attachment – Corrected Exhibit M transmit March 26, 2025
MWS/PJH/JVW:DLG:10250179t

CAO 649-d

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: March 27, 2025

CAO File No.: 0150-03656-0110
Council File No.:
Council District: ALL

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer

Reference: Updated correspondence from the Department of Water and Power dated March 26, 2025; referred by the Mayor for report on March 26, 2025 for review following provision of additional documents by the department

Subject: **REVISION TO THE PROPOSED RESOLUTION AUTHORIZING GENERAL MANAGER'S CERTIFICATES AND SUPPLEMENTAL CERTIFICATES RECOMMENDING APPROVAL OF LOS ANGELES DEPARTMENT OF WATER AND POWER OPEN ACCESS TRANSMISSION TARIFF AMENDMENT NO. 5 AND NO. 6, DWP NO. BP 01-017**

RECOMMENDATIONS

That the Mayor:

1. Approve the proposed Los Angeles Department of Water and Power Resolution, Ordinance and General Manager and Chief Engineer's Supplemental Certificates authorizing Amendments No. 5 and No. 6 to the Open Access Transmission Tariff (OATT), DWP No. BP 01-017;

2. Approve delegation of authority to the Board of Water and Power Commissioners (Board) by approval of an amendment to Section 23.133(a) of the Los Angeles Administrative Code authorizing the Board to delegate to the General Manager the authority to enter into such transmission service agreements pursuant to the Open Access Transmission Tariff;

3. Authorize, upon proper certification, the Chief Accounting Employee to draw demands on the Power Revenue Fund, in accordance with the terms of this Amendment; and

4. Return the proposed Amendment, Resolution, and Ordinance to the Los Angeles Department of Water and Power for further processing, including Council consideration.

SUMMARY

The Los Angeles Department of Water and Power (LADWP, Department) requests approval of a resolution and ordinance approving Amendments No. 5 and No. 6 to the LADWP's OATT, DWP BP 01-017.

As a load serving entity that owns and operates its transmission system, LADWP generates and acquires sufficient levels of energy to meet the demands of its customers. To the extent there is

surplus capacity on a transmission line at any time, eligible transmission customers may purchase the available capacity in accordance with the terms and conditions of the OATT. While the LADWP is a non-Federal Energy Regulatory Commission (FERC) entity, it is subject to the Federal Power Act that requires the sale of surplus energy to third party customers be charged rates that are comparable to the rates that it charges itself and that non-rate terms and conditions of service are non-discriminatory.

Amendment No. 5 to the OATT: (1) revises the non-rate terms and conditions for provisioning of transmission and ancillary services; (2) incorporates small generator interconnection procedures; (3) converts the processing of interconnection requests from a first come, first served basis to a first ready, first served basis; (4) converts a serial interconnection process into a clustering interconnection process for system impact studies; and (5) makes other ministerial changes for consistency with the FERC pro forma OATT.

An overview of the provisions of the proposed Resolution and Ordinance implementing Amendment No. 5 are identified in the Background Section of this report.

Amendment No. 6 to the OATT revises Attachment C, Methodology to Access Available Transfer Capability, to align with FERC Order 902, removing references to Modeling Data Analysis, specifically Standard 29, a North American Reliability Corporation (NERC) Reliability Standard, and replacing it with the North American Energy Standard Board (NAESB) Standards, specifically the Whole Sale Energy Quadrant 23. The primary goal of Order 902 concerns the retirement of specific reliability standards set by NERC related to modeling, data, and analysis practices to reduce regulatory and/or compliance burdens on affected entities.

The proposed OATT amendments revise the existing non-rate terms and conditions and will therefore not impact revenue to the Power Revenue Fund. The General Manager's and Supplemental Certificates concerning the amendments were developed pursuant to LADWP Public Stakeholders Process Business Practice (Stakeholders Process BP). The revised OATT remains effective until rescinded or a new amendment is approved by the Board and City Council (Council).

The City Attorney has reviewed and approved the proposed Resolution and Amendments as to form. In accordance with Charter Section 373 concerning contracts longer than three years, Charter Section 674 concerning LADWP power contracts, and Administrative Code Section 23.134, concerning transmission services which would otherwise fall under the jurisdiction of FERC, Council approval is required. This Office has reviewed the request and recommends approval.

BACKGROUND

As a municipal utility, LADWP is responsible for establishing its own electric transmission rates and non-rate terms and conditions of service. However, as a municipal utility and a non-FERC entity, the LADWP is subject to the Federal Power Act that requires third party customers be charged rates that are comparable to the rates that LADWP charges itself, and that non-rate terms and conditions of service are applied to third parties in a manner that is not unduly discriminatory or preferential.

The LADWP is a load serving entity that owns and operates its transmission system, dispatches its generation resources, and makes long-term power supply arrangements to meet its native load service obligations. To the extent there is transmission capacity available in excess of native load needs, the finite amount of available capacity on a transmission line in any single hour, day, week, month, and year may be made available to all eligible transmission customers through the LADWP's OATT. Eligible transmission customers may purchase such available capacity in accordance with the terms and conditions of the OATT, as it may be amended from time to time. Additionally, LADWP's OATT offers its customers the ability to interconnect their generating resources to LADWP's transmission system. Interconnection service is separate and apart from transmission service.

OATT Amendment Process – Amendments to the OATT must be developed in accordance with the LADWP Stakeholders Process BP adopted for the development and processing of tariff changes. The LADWP General Manager and Chief Engineer, pursuant to the Stakeholder Process BP, is required to make recommendations for approval to the Board and Council prior to the amendment of the OATT. The General Manager's and Supplemental Certificates respond to stakeholder comments and recommend the proposed amendment changes to the OATT.

Amendment No. 5, OATT, DWP BP-017 – Amendment No. 5: (1) revises the existing non-rate terms and conditions relating to the provisioning of transmission and ancillary services; (2) incorporates small generator interconnection procedures; (3) changes the interconnection process from first come, first served to first ready, first served; (4) converts a serial interconnection process into a cluster interconnection process for system impact studies; and (5) updates other ministerial provisions for consistency with the current FERC pro forma OATT.

Proposed Ordinance and Resolution Provisions Implementing Amendment No. 5 – The proposed ordinance and resolution submitted by the Department for approval implementing Amendment No. 5 provide for delegation of authority to the General Manager and Chief Engineer to enter into any transmission service agreement which:

- Does not exceed three years in duration

- Is two years in duration and will automatically renew for an additional two years, unless such option is terminated by either party, provided such service does not jeopardize the tax-exempt status of any municipal bonds used to finance LADWP facilities used to provide such transmission service

- Duration is beyond three years pursuant to an executed Government Person Use Certificate where the terms, conditions, and charges are pursuant to a transmission tariff approved by the City Council

The proposed ordinance and resolution submitted by the Department for approval further provide the Board with independent authority to enter into standard Large Generator Interconnection Agreements for interconnection of electric generating facilities to the LADWP transmission system for generating facilities of greater than 20 megawatts or standard Small Generator Interconnection Agreements for generating facilities of 20 megawatts or less unless earlier terminated or the generator facility ceases operation.

Amendment No. 6, OATT, DWP BP-017 – Amendment No. 6 revises the LADWP OATT to conform to FERC Order No. 902 issued on October 26, 2023. Effective February 1, 2024, Order 902 retired NERC Reliability Standard MOD A and replaced it with the NAESB Standard WEQ-023. The proposed revisions to the LADWP OATT revises Attachment C to remove references to NERC Reliability Standard MOD A and replaces them with NAESB Standard WEQ-023 in Sections 1,2,3,4, and 5. The primary goal of Order 902 concerns the retirement of specific reliability standards set by NERC related to modeling, data, and analysis practices to reduce regulatory and/or compliance burdens on affected entities.

Financial Impact of Proposed Amendments – The Open Access Same Time Information System (OASIS), which is accessible to all eligible transmission customers, is utilized to communicate requests to buy and sell available transmission capacity offered under the LADWP OATT and identifies the revenue to LADWP from transmission sales made using the OATT.

Generation interconnection customers under the OATT are responsible for and reimburse LADWP for all the associated costs for their interconnections and for a pro rata share of the annual operation and maintenance cost of the facility to which they are interconnected.

The changes to the LADWP OATT proposed in Amendments No. 5 and No. 6 affect only the tariff terms and conditions identified herein and do not affect transmission and ancillary rates; consequently, they will not impact tariff revenue to the Power Revenue Fund. Nevertheless, recent OATT revenue to the LADWP has been approximately $56 million in FY 2022-23, $43 million in FY 2023-2024, and $23 million in FY 2024-2025 to-date.

Correction to the LADWP Report Submitted to the Mayor – The LADWP report submitted to the Mayor's Office dated September 11, 2024, inaccurately included the use of the word "Commission" referring to the Federal Energy Regulatory Commission (FERC), in Sections 3.5.4 and 3.7.1.2 of Attachment M, Large Generating Interconnection Procedures (LGIP). The LADWP reports that this was a clerical error and should instead reference the "Board of Water and Power Commissioners" as it relates to reporting obligations, since LADWP is a non-FERC jurisdictional entity and governed by its Board and City Council. This correction will be reflected in the updated LGIP, and no subsequent reviews are needed by this Office. The corrected document is attached as Attachment 2.

LADWP Document Omission and Resolution – On September 25, 2024, LADWP submitted an Executive Directive No. 4 (ED No. 4) package to the Office of the Mayor. This item was subsequently referred to the Office of the City Administrative Officer (CAO) to review and draft a report, which was completed and released to the Office of the Mayor on January 23, 2025. The Office of the Mayor approved the report on February 12, 2025 and returned it to LADWP. Upon reviewing the report on March 18, 2025, LADWP discovered that 1,929 pages of supporting documents had been inadvertently omitted from the original package. LADWP consulted with the CAO to determine the appropriate remedy for addressing these missing documents. By March 26, 2025, after collaborative communication among the Office of the Mayor, CAO and LADWP, it was confirmed that the appropriate measures were to complete a revised transmittal and include the previously missing supporting documents. The updated transmittal and complete supporting documentation are now attached to this report.

Alternatives Considered – As a municipal utility, LADWP's wholesale sales, and provisioning of transmission in interstate commerce, is generally not subject to the jurisdiction of FERC. However, LADWP is required to provide open access transmission and interconnection service in a comparable, not unduly discriminatory, or preferential basis to all eligible transmission and interconnection customers, including LADWP, when taking service under the LADWP's OATT. The proposed amendments will enable LADWP to continue providing non-discriminatory open access transmission and interconnection services on the Department's transmission system, allow the LADWP to continue generating revenue from the sale of available transmission capacity in excess of native load needs on its system, and allow LADWP to more efficiently process and study interconnection requests.

The OATT, as amended, will remain effective until rescinded or a new amendment is approved by the Board and Council.

CITY COMPLIANCE

California Environmental Quality Act (CEQA) – The LADWP has determined, subject to Board of Water and Power Commissioners approval, that the proposed OATT Amendments No. 5 and No. 6 are exempt from CEQA pursuant to Guidelines Section15060(c)(3). In accordance with that Section, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378(b)(4) states that government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment do not meet that definition. Therefore, the OATT and amendments are not subject to CEQA.

The City Attorney has reviewed and approved the proposed Resolution and Amendments No. 5 and No. 6 as to form. In accordance with Charter Section 373 concerning contracts longer than three years, Charter Section 674 concerning LADWP power contracts, and Administrative Code Section 23.134, concerning transmission services which would otherwise fall under the jurisdiction of FERC, Council approval is required. This Office has reviewed the request and recommends approval.

FISCAL IMPACT STATEMENT

There is no impact on the General Fund. Proposed Amendments No. 5 and No. 6, to the Los Angeles Department of Water and Power's Open Access Transmission Tariff, DWP BP-017, modify only existing non-rate terms and conditions relating to the provisioning of transmission and ancillary services and do not impact the tariff revenue to the Power Revenue Fund. The proposed recommendations comply with the LADWP Financial Policies.

Attachment 1 – LADWP September 11, 2024 Letter, Board Letter, Resolution, draft Ordinance, and Updated correspondence from LADWP.
Attachment 2 – Corrected version of Attachment M to the OATT package transmitted March 26, 2025

MWS/PJH/JVW:DLG:10250179

ATTACHMENT 1

Los Angeles Department of Water & Power

BUILDING A STRONGER L.A.

Karen Bass, Mayor

Board of Commissioners
Richard Katz, President
George S. McGraw, Vice President
Nurit D. Katz
Mia Lehrer
Wilma J. Pinder
Chante L. Mitchell, Secretary

Janisse Quiñones, Chief Executive Officer and Chief Engineer

September 11, 2024

The Honorable Karen Bass
Mayor, City of Los Angeles
Room 303, City Hall
Mail Stop 370

Attention: Ms. Heleen Ramirez, Legislative Coordinator

Dear Mayor Bass:

Subject: General Manager's Certificates and Supplemental Certificates Recommending Approval of Los Angeles Department of Water and Power's Open Access Transmission Tariff Amendment No. 5 and Amendment No. 6, DWP No. BP 01-017

In accordance with Executive Directive No. 4, enclosed is a copy of a Board letter and supporting documents recommending approval and transmittal to the Los Angeles City Council of Agreement No. BP 01-017 for approval of the General Manager's Certificates and Supplemental Certificates recommending approval of Amendment No. 5 and Amendment No. 6 to the Los Angeles Department of Water and Power's Open Access Transmission Tariff.

It is respectfully requested that your office complete its review as soon as possible. Once the required City Administrative Officer report has been received, the matter will be scheduled for action by the Los Angeles Board of Water and Power Commissioners and forwarded to the Los Angeles City Council for final consideration.

Please contact Mr. Paul Habib, Interim Director of Legislative and Intergovernmental Affairs at (213) 367-3846 upon completion of the review, if the review will take longer than 30 days, or if there are any questions regarding this item.

Sincerely,

Janisse Quiñones
Chief Executive Officer and Chief Engineer

rv:sl
Enclosures
c/enc: Mr. Luis Gutierrez, Office of the Mayor
Dr. Frederick H. Pickel, Office of Public Accountability
Mr. Paul Habib

Los Angeles Department of Water & Power

RESOLUTION NO. _____

BOARD LETTER APPROVAL

DAVID W. HANSON
Senior Assistant General Manager
Power System

ARAM BENYAMIN
Chief Operating Officer

JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer

DATE: September 4, 2024

SUBJECT: General Manager's Certificates and Supplemental Certificates Recommending Approval of Los Angeles Department of Water and Power's Open Access Transmission Tariff Amendment No. 5 and Amendment No. 6, DWP No. BP 01-017

SUMMARY

Approval is requested of the General Manager's (GM's) Certificate and Supplemental Certificate recommending approval of Amendment No. 5 (GMC No. 5) to the Los Angeles Department of Water and Power's (LADWP) Open Access Transmission Tariff (OATT) (Amendment No. 5) and GM's Certificate and Supplemental Certificate recommending approval of Amendment No. 6 (GMC No. 6) to LADWP's OATT (Amendment No. 6).

Amendment No. 5 to the OATT shall: (1) revise the non-rate terms and conditions for the provisioning of transmission and ancillary services; (2) incorporate a small generator interconnection procedure; (3) convert the processing of interconnection requests from a serial process, i.e. on a "first come, first served" basis, to a "first ready, first served" basis; (4) allow for clustering of system impact studies in the interconnection process; and (5) other ministerial changes, for consistency with the current effective Federal Energy Regulatory Commission (FERC) *pro forma* OATT.

Amendment No. 6 to the OATT shall revise Attachment C, Methodology to Assess Available Transfer Capability, to align with FERC Order 902, removing references to Modeling, Data, Analysis, specifically Standard 29 (MOD 29), A North American Electric

Reliability Corporation (NERC) Reliability Standard, and replacing it with the North American Energy Standard Board (NAESB) Standard, specifically the Wholesale Energy Quadrant 23 (WEQ-023).

Amendment No. 5 and Amendment No. 6, collectively, hereinafter "Amendments", are recommended for approval following the conclusion of their respective stakeholder processes in accordance with LADWP's business practice for Tariff Change Procedures (Public Stakeholder Process BP).

City Council approval is required pursuant to the Los Angeles Charter Section 674 and the Los Angeles Administrative Code Section 23.134.

RECOMMENDATION

It is requested that the Board of Water and Power Commissioners (Board) adopt the attached Resolution recommending City Council's approval of the following:

- GMC No. 5 and GMC No. 6 for the approval of Amendment No. 5 and Amendment No. 6, respectively, as required per Los Angeles Administrative Code Section 23.134. As amended, the OATT will remain effective until it is rescinded, or a new amendment is approved by the Board and the City Council;
- An amendment to Section 23.133(a) of the Los Angeles Administrative Code authorizing the Board to delegate to the General Manager of LADWP the authority to enter into any transmission service agreements: (1) which does not exceed three years in duration; (2) which is two years in duration and will automatically renew for an additional term of two years, unless such option is terminated by either party, provided that in the reasonable but exclusive determination of LADWP, such service does not jeopardize the tax-exempt status of any municipal bond(s) used to finance LADWP's facilities that would be used in providing such transmission service; or (3) which the duration is beyond three years pursuant to an executed Governmental Person Certificate, where the terms and conditions, and charges are pursuant to the OATT; and
- An ordinance providing the Board with independent authority to enter into generator interconnection agreements of electric generating facilities to the LADWP Transmission System where such interconnection agreements are substantially in the form of the standard Large Generator Interconnection Agreement (LGIA) for generating facilities having a capacity greater than twenty megawatts (20 MW) or the standard Small Generator Interconnection Agreement (SGIA) for generating facilities having a capacity of 20 MW or less, provided that such agreements have a minimum term of ten years and shall automatically renew for successive one-year periods, unless it is terminated earlier pursuant to the terms of the LGIA or SGIA, respectively, or the generating facility permanently ceases commercial operation, subject to the applicable tariff, terms, conditions and charges of the OATT.

ALTERNATIVES CONSIDERED

Alternatives were considered and are not feasible. As a municipal utility, LADWP's wholesale sales, and provisioning of transmission in interstate commerce, is generally not subject to the jurisdiction of the FERC. However, LADWP is require provides open access transmission and interconnection service on a comparable, not unduly discriminatory, or preferential basis to all eligible transmission and interconnection customers, including LADWP when taking service under LADWP's OATT. The Amendments will enable LADWP to continue providing non-discriminatory open access transmission and interconnection services on LADWP's transmission system, allow LADWP to continue generating revenue from the sale of available transmission capacity in excess of native load needs on its system, and allow LADWP to more efficiently process and study interconnection requests.

FINANCIAL INFORMATION

LADWP uses an Open Access Same-Time Information System (OASIS), through an internet site accessible to all eligible transmission customers. OASIS enables transmission customers to communicate requests and responses to buy available transmission capacity offered under the LADWP's OATT. Revenue is generated from transmission sales made using LADWP's OASIS.

For generation interconnection requests under the OATT, interconnection customers are responsible and shall reimburse LADWP for all the associated costs for their interconnections. Interconnection customers shall also be responsible for a pro rata share of the annual operation and maintenance cost of the facility to which they are interconnected to.

BACKGROUND

As a municipal utility, LADWP is responsible for establishing its own electric transmission rates and non-rate terms and conditions of service. Nonetheless, the Federal Power Act require that third-party customers be charged rates that are comparable to the rates LADWP charges itself, and that non-rate terms and conditions of service are applied to third parties in a manner that is not unduly discriminatory or preferential.

LADWP is a Load Serving Entity that owns and operates its transmission system, dispatches its generation resources, and makes long-term power supply arrangements to meet its native load service obligations. To the extent there is transmission capacity available in excess of native load needs, the finite amount of available capacity on a given transmission line in any single hour, day, week, month, and year, may be made available to all eligible transmission customers through LADWP's OATT. Eligible transmission customers may purchase such available transmission capacity in accordance with the terms and conditions of the OATT, as it may be amended from time to time. Additionally, LADWP's OATT offers to its customers the ability to interconnect

their generating resources to LADWP's transmission system. Interconnection service is separate and apart from transmission service.

LADWP's OATT provides the following types of transmission service, along with any necessary ancillary services to support it:

- Firm Point-To-Point Transmission Service – transmission service that is reserved and/or scheduled between specified Points of Receipt(s) and Point(s) of Delivery at voltage level greater than 100 kilovolts (kV). The minimum term is one hour and the maximum term is specified in the Service Agreement (Schedule 7).
- Non-Firm Point-To-Point Transmission Service – transmission service at voltage level greater than 100 kV that is reserved and/or scheduled on an as-available basis and is subject to curtailment and interruption. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month (Schedule 8).
- Network Integrated Transmission Service – transmission service that allows a Network Customer to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the LADWP's Control Area and any additional load that may be designated in accordance with the OATT (NITS).

LADWP has adopted transmission business practices for the development of tariff changes. Amendments to the OATT must be in accordance with the LADWP Stakeholder Process BP. As part of the process, prior to the amendment of the OATT, the Stakeholder Process BP requires that the GM makes recommendation for approval to the Board and City Council. Recently, the title of the GM of LADWP has been changed to Chief Executive Officer and Chief Engineer. For the purposes of the Stakeholder Process BP, other than the title change, the roles and responsibilities of the Chief Executive Officer and Chief Engineer remain the same as that of the GM, including the decision-making authority for the OATT Amendments.

OATT Amendment No. 5

On April 1, 2022, consistent with LADWP's Stakeholder Process BP, LADWP commenced a public stakeholder process regarding proposed amendments to the wholesale-transmission rates and non-rate terms of LADWP's OATT. At the conclusion of the stakeholder process, considering some of the issues raised by stakeholders, the GM decided to withdraw the OATT Amendment No. 5 component relating to the transmission and ancillary service rates. The General Manager's decision to withdraw the rate component of Amendment No. 5 is detailed in the Supplemental GM Certificate for OATT Amendment No. 5.

Furthermore, LADWP will move forward with Amendment No. 5 to: (1) revise the existing non-rate terms and conditions relating to the provisioning of transmission and ancillary services; (2) incorporate small generator interconnection procedures;

(3) change the interconnection process from "first come, first served" to "first ready, first served" basis; (4) convert a serial interconnection process into cluster interconnection process for system impact studies; and (5) update other ministerial changes for consistency with the current effective FERC *pro forma* OATT.

The revised non-rate terms and conditions are summarized as follows:

- **Definitions:** The specific defined terms that were modified, to move towards language utilized by FERC in the *pro forma* OATT except where necessary to recognize LADWP's status as a 201(f) entity under the Federal Power Act ("FPA").
- **Section 17.7**: Consistent with FERC *pro forma* OATT, amend to allow for up-to five 1-year extensions for commencement of service.
- **Parts II and III**: The specific portions of Parts II and III were modified, to move towards language utilized by FERC in the *pro forma* OATT except where necessary to recognize LADWP's status as a 201(f) entity under the FPA.
- **Attachment A-2:** Clarifying edit to a definition. Added Attachment A-2 to the table of contents.
- **Changes to Attachment D – Methodology for Completing a System Impact Study and Form of Agreement:** Within the methodology for completing a system impact study, LADWP updated the factors in determining capacity availability on the transmission system. Within the form of Agreement, LADWP amended Section 3.5 "Estimated Time" for completing the system impact study, Section 5.5 "Force Majeure" and Section 5.6 "Assignment" to be consistent with the FERC *pro forma* provisions.
- **Changes to Attachment M – Large Generator Interconnection Procedures:** Large generator interconnection procedures were amended to incorporate changes addressed in FERC Order No. 845 and replace the serial approach for conducting interconnection studies with a "first-ready, first served" cluster study process.
- **Add new Attachment N – Small Generator Interconnection Procedures:** Add a new Attachment N providing small generator interconnection procedures that utilize a "first-ready, first served" interconnection cluster study process.
- **Changes to Attachment O – Energy Imbalance Market:** Attachment O was amended to correct a charge code reference in Section 8.5.6 "Flexible Ramping Product," add charge code suballocations to Section 8.5.8 "Other EIM Settlement Provisions," remove a suballocation reference in Section 8.8 "Variable Energy Resource Forecast Charge," and to correct references to terms.
- **Add new Attachment P – Transmission Line Ratings:** Add a new Attachment P incorporating ambient-adjusted ratings, emergency ratings, and

seasonal rating for the transmission lines over which LADWP provides transmission service as addressed in FERC Order No. 881, and to provide for a database of the transmission line ratings and transmission line rating methodologies to be maintained on LADWP's OASIS site or other password-protected website.

OATT Amendment No. 6

On December 28, 2023, LADWP commenced a public stakeholder process to consider proposed revisions to the OATT to comport with FERC Order No. 902, issued on October 26, 2023. Effective February 1, 2024, Order No. 902 retired NERC Reliability Standard MOD A and replaced it with the NAESB Standard WEQ-023. The proposed revisions to the LADWP OATT revise Attachment C to remove references to NERC Reliability Standard MOD A and replace them with NAESB Standard WEQ-023 in Sections 1,2,3,4, and 5 of Attachment C.

The GM recommends that the proposed OATT Amendments become effective on the first day of the month, following the effective date of the ordinance approved by City Council.

The attached tariff revisions were developed following the process set forth in the Public Stakeholder Process BP for both a "Major Tariff Change" and a "Minor Tariff Change". Attached are GMC No. 5 and GMC No. 6, which includes summaries of the respective stakeholder processes and schedules followed by LADWP. LADWP's stakeholder processes comply with the Public Stakeholder Process BP.

The GMC No. 5 and GMC No. 6 along with its attachments and the proposed Amendments are provided as part of this Board Letter for consideration by the Board and City Council. Notwithstanding, documents filed in the public stakeholder process are available on LADWP's OASIS website at:

For Amendment No. 5 -- http://www.oasis.oati.com/ldwp/index.html in the folder **DWP Notices\LADWP 2022 OATT Stakeholder Process\.**

For Amendment No. 6 -- http://www.oasis.oati.com/ldwp/idex.html in the folder **DWP Notices\LADWP 2024 OATT Stakeholder Process\.**

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guideline 15060(c)(3). In accordance with this section, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378 (b)(4) states that government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment do not meet that definition. Therefore, the amendment to an agreement to change terms of the agreement is not subject to CEQA.

City Administrative Officer Report

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's Report has been requested.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Amendments and Resolution as to form and legality.

ATTACHMENTS

- Resolution
- Ordinance
- GMC No. 5, OATT Amendment No. 5, including Attachments A-E and all relevant documents in support of Amendment No. 5
- GMC No. 6, OATT Amendment No. 6, including Attachments A-D and all relevant documents in support of Amendment No. 6

RESOLUTION NO. _____

WHEREAS, the Los Angeles Department of Water and Power (LADWP) Open Access Transmission Tariff DWP No. BP 01-017 (OATT) was approved by the Board of Water and Power Commissioners (Board) on October 2, 2001, and by the Los Angeles City Council (City Council) on March 12, 2002, so that LADWP could offer open access transmission service to all eligible transmission customers on the transmission grid owned, controlled, and operated by LADWP on an open access and not unduly discriminatory or preferential basis; and

WHEREAS, the current effective LADWP OATT, as it has been amended from time to time, is being amended in an Amendment No. 5 and an Amendment No. 6 (collectively, Amendments); and

WHEREAS, as set forth in the General Manager's Certificate and Supplemental Certificate for Amendment No. 5 (GMC No. 5), the Chief Executive Officer and Chief Engineer, i.e. the General Manager of LADWP (General Manager), has recommended to: (1) revise the non-rate terms and conditions for the provisioning of transmission and ancillary services; (2) incorporate a small generator interconnection procedure; (3) convert the processing of interconnection requests from a serial process, i.e. on a "first come, first served" basis, to a "first ready, first served" basis; (4) allow for clustering of system impact studies in the interconnection process; and (5) other ministerial changes, for consistency with the current effective Federal Energy Regulatory Commission (FERC) *pro forma* OATT; and

WHEREAS, FERC issued Order No. 902, effective February 1, 2024, retiring the Modeling, Data, Analysis, specifically Standard 29 (MOD 29), A North American Electric Reliability Corporation (NERC) Reliability Standard, and replacing it with the North American Energy Standard Board (NAESB) Standards, specifically the Wholesale Energy Quadrant 23 (WEQ-023); and

WHEREAS, as set forth in the General Manager's Certificate and Supplemental Certificate for Amendment No. 6 (GMC No. 6), the General Manager, has recommended to revise Attachment C, Methodology to Assess Available Transfer Capability, to align with FERC Order 902, removing references to NERC Reliability Standard MOD 29, and replacing it with the NAESB Standard WEQ-023; and

WHEREAS, Los Angeles Administrative Code Section 23.134 delegates authority to the Board to establish and set all tariffs, terms, conditions, and charges, which relate to transmission service, subject to approval by a majority vote of the City Council.

NOW, THEREFORE, BE IT RESOLVED, that the Open Access Transmission Tariff, DWP No. BP 01-017, as amended in Amendment No. 5 including the

schedules and attachments thereto now on file with the Secretary of the Board, be and the same is hereby approved.

BE IT FURTHER RESOLVED, that the Open Access Transmission Tariff, DWP No. BP 01-017, as amended in Amendment No. 6 including the schedules and attachments thereto now on file with the Secretary of the Board, be and the same is hereby approved and ratified.

BE IT FURTHER RESOLVED, that the City Council is hereby requested to approve the OATT by ordinance.

BE IT FURTHER RESOLVED, that the General Manager, or designee, is authorized to execute any transmission service agreement: (1) which does not exceed three years in duration; (2) which is for two years in duration with an automatic renewal for an additional term of two years, unless such option is terminated by either party, provided that in the reasonable but exclusive determination of LADWP, such service does not jeopardize the tax-exempt status of any municipal bond(s) used to finance LADWP's facilities that would be used in providing such transmission service; or (3) which the duration is beyond three years pursuant to an executed Governmental Person Use Certificate, as set forth in the OATT, upon the effective date of an ordinance authorizing such delegation.

BE IT FURTHER RESOLVED, that the City Council is hereby requested to approve an amendment to Section 23.133(a) of the Los Angeles Administrative Code authorizing the Board to delegate to the General Manager the authority to enter into such transmission service agreements pursuant to the OATT.

BE IT FURTHER RESOLVED, that the City Council is hereby requested to adopt an ordinance providing the Board with independent authority to enter into Large Generator Interconnection Agreements governing interconnections of electric generating facilities having a capacity greater than 20 megawatts (MW) and Small Generator Interconnection Agreements governing the interconnections of electric generating facilities having a capacity of 20 MW or smaller, to the LADWP Transmission System substantially in the form of the standard Large Generator Interconnection Agreement (LGIA) and standard Small Generator Interconnection Agreement (SGIA) that is included in the OATT, provided that each such LGIA and SGIA shall have a minimum term of ten years and automatically renew for successive one-year periods unless it is terminated earlier pursuant to the terms of the LGIA/SGIA or the generating facility permanently ceases commercial operation, subject to applicable tariffs, terms, conditions, and charges of the Tariff.

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 this resolution.

BE IT FURTHER RESOLVED, that this matter is forwarded to the City Council for approval.

I HEREBY CERTIFY that the foregoing is the full, true and correct copy of the resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held on _____, 2024.

_____
Secretary

ORDINANCE NO. _____

An ordinance amending Section 23.133 of Article 3 of Chapter 7 of Division 23 of the Los Angeles Administrative Code approving the Los Angeles Department of Water and Power's Open Access Transmission Tariff and providing the Board of Water and Power Commissioners the authority to enter into agreements for interconnecting electric generating facilities to the Los Angeles Department of Water and Power's Transmission System

THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:

Section 1. Subsection (a) of Section 23.133 of Article 3 of Chapter 7 of Division 23 of the Los Angeles Administrative Code is amended to read:

(a) Notwithstanding any other ordinance, rule or law of the City of Los Angeles to the contrary, the Board of Water and Power Commissioners (Board) under the authority of Charter Section 604(c) is authorized to delegate to the General Manager, the authority to enter into any transmission service agreement: (1) which does not exceed three years in duration; (2) which is two years in duration and will automatically renew for an additional term of two years, unless such option is terminated by either party, provided that in the reasonable but exclusive determination of the Los Angeles Department of Water and Power, such service does not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Los Angeles Department of Water and Power's facilities that would be used in providing such transmission service; or (3) which the duration is beyond three years pursuant to an executed Governmental Person Use Certificate, where the terms, conditions, and charges are pursuant to a transmission service tariff approved by the City Council.

Sec. 2. Notwithstanding any other ordinance, rule, law or procedure and pursuant to Section 23.134 of the Los Angeles Administrative Code, the Open Access Transmission Tariff (OATT), DWP No. BP 01-017, as amended to update the tariffs, terms, conditions, and charges for transmission and ancillary services and include the standard Large Generator Interconnection Procedures (LGIP) and Large Generator Interconnection Agreement (LGIA) for the interconnection of large electric generating facilities having a capacity greater than twenty megawatts (20 MW) and the standard Small Generator Interconnection Procedures (SGIP) and Small Generator Interconnection Agreement (SGIA) for the interconnection of small electric generating facilities having a capacity of 20MW or less, and appendices thereto respectively, to the transmission grid owned, controlled and operated by the Los Angeles Department of Water and Power, approved by the Board, a copy of which is on file with the City Clerk, is hereby approved, and the execution of any agreement pursuant to such OATT is authorized subject to the limitations set forth in Section 23.133 of the Los Angeles Administrative Code and this ordinance.

DRAFT

Sec. 3. Notwithstanding any other ordinance, rule, law or procedure to the contrary, the Board shall have independent authority to enter into Large Generator Interconnection Agreements for the interconnection of large electric generating facilities having a capacity greater than 20 MW and into Small Generator Interconnection Agreements for the interconnection of small electric generating facilities having a capacity of 20MW or less, to the transmission grid owned, controlled and operated by the Los Angeles Department of Water and Power, substantially in the form of the standard LGIA and SGIA, respectively, that is included in the OATT, without further City Council approval. Each such LGIA and SGIA, shall have a minimum term of ten years and automatically renew for successive one-year periods unless it is terminated earlier pursuant to the terms of the LGIA and SGIA, respectively, or the generating facility permanently ceases commercial operation, subject to the applicable procedures, terms, conditions, and charges of the OATT.

Sec. 4. If any section, subsection, sentence, clause, phrase or portion of this ordinance or the OATT is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance and the OATT. The City Council hereby declares that it would have adopted this ordinance and the OATT and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

DRAFT

Sec. 5. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Approved as to Form and Legality

HYDEE FELDSTEIN SOTO, City Attorney

By _____
SYNDI DRISCOLL
Deputy City Attorney

Date _____

File No. _____

[Document file path]

The Clerk of the City of Los Angeles hereby certifies that the foregoing ordinance was passed by the Council of the City of Los Angeles.

CITY CLERK

MAYOR

_____

_____

Ordinance Passed_____

Approved _____

DRAFT

City of Los Angeles Department of Water and Power

Amendment No. 5 to LADWP's Open Access Transmission Tariff

General Manager's Certificate

April 17, 2024

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EXECUTIVE SUMMARY

On April 1, 2022, the Los Angeles Department of Water and Power ("LADWP") commenced a public stakeholder process regarding proposed amendments to the wholesale-transmission rates and non-rate terms of LADWP's Open Access Transmission Tariff ("OATT"), under LADWP Business Practice, Tariff Change Procedures (hereinafter, "Tariff Change Procedures").[1]

The transmission rates set forth in LADWP's OATT were establish on 2017[2] and based upon a 2013/2014 fiscal year test period. The proposed transmission rates are based upon a cost-of-service study ("COSS") performed by independent, third-party consultants, which assessed LADWP's costs for providing wholesale-electric transmission service. The COSS utilized LADWP's audited financial data using a historical test period corresponding to the July 1, 2019 through June 30, 2020 fiscal year ("Test Period"), financial data from LADWP's General Ledger, and other accounting databases to develop proposed rates that are consistent with traditional principles, processes, and procedures of cost-of-service ratemaking. The COSS was supplemented by testimony explaining the COSS and its results, and the COSS was supported by a functional analysis of LADWP's transmission and related facilities to determine the facilities classified for ratemaking purposes as transmission, consistent with the Federal Energy Regulatory Commission's ("FERC") Seven-Factor Test and *Mansfield* analyses.

LADWP also posted proposed amendments to the OATT's non-rate terms and conditions. LADWP is proposing to update its OATT to account for updates FERC made to its *pro forma* OATT since 2017, to incorporate small generator interconnection procedures into the OATT, convert a serial generator interconnection process into a first-ready, first served interconnection process, and to incorporate other ministerial changes.

LADWP conducted two public stakeholder meetings and a technical conference addressing the proposed tariff changes, responded to over 1,200 stakeholder discovery requests, and received over 2,000 pages of written stakeholder comments.[3] LADWP appreciates the robust stakeholder participation and stakeholder feedback.

The General Manager deemed the undisputed portions of LADWP's proposed OATT as accepted and supported by the record. This General Manager's Certificate responds to stakeholders' comments and contains the General Manager's recommended OATT amendments.[4]

---

[1] *See* LADWP, Business Practices, Tariff Change Procedures, Version 3.0 (Oct. 5, 2023) (hereinafter, "Tariff Change Procedures"). The Tariff Change Procedures were revised in 2023 to establish procedures for enacting a Pro Forma Tariff Change and eliminate the discovery period for a Minor Tariff Change. The October 2023 revision did not adjust the requirements of the General Manager's Certificate, so all references will be to the current version of the Tariff Change Procedures.

[2] On June 30, 2017, the City Council adopted the motion approving Amendment No. 2.

[3] The proposed Tariff Revision and supporting materials, stakeholder meeting materials, discovery, and stakeholder comments and supporting documents are available on the LADWP Open Access Information System in the DWP Notices folder: https://www.oasis.oati.com/ldwp/index.html.

[4] The General Manager's Certificate (including its attachments) are available on the LADWP Open Access Information System in the DWP Notices folder.

The General Manager's recommended changes to LADWP's current OATT rates and non-rate terms and conditions of service are summarized as follows:

The General Manager's rate recommendations are summarized as follows:

Table 1 below summarizes LADWP's current OATT rates, the April 1, 2022, proposed OATT rates, and the rates adopted by the General Manager in this Certificate.

Table 1: Summary of Wholesale Electric Transmission Rates Adopted by the General Manager and Recommended to the Board of Water and Power Commissioners and Los Angeles City Council

Rate Schedule	Rates Currently Effective ($/kW-month)	Rates Proposed, April 1, 2022 ($/kW-month)	Rates Proposed Final ($/kW-month)
Schedule 1 – Scheduling, System Control and Dispatch	$0.119	$0.206	$0.171
Schedule 1A – EIM Administrative Service	Sub-allocation of CAISO charges	No change proposed	Not applicable
Schedule 2 – Reactive Supply and Voltage Control	$0.173	$0.167	$0.137
Schedule 3 – Regulation and Frequency Response	$6.247 1.885% purchase obligation	$13.835 2.256% purchase obligation	$11.604 1.885% purchase obligation
Schedule 4 – Energy Imbalance Service	Transmission Customer's meter load compared to base schedule	No change proposed	Not applicable
Schedule 4A – Energy Imbalance Service when EIM Suspended	Hourly Proxy Price	No change proposed	Not applicable
Schedule 5 – Operating Reserve – Spinning Reserve	$10.218 4.874% purchase obligation	$13.617 5.445% purchase obligation	$11.425 4.549% purchase obligation
Schedule 6 – Operating Reserve – Supplemental Reserve	$2.325 4.874% purchase obligation	$4.016 5.445% purchase obligation	$3.288 4.549% purchase obligation
Schedules 7 & 8 – Long-Term Firm, Short-Term Firm, and Non-Firm Transmission	$2.936	$5.237	$4.136

Table 1: Summary of Wholesale Electric Transmission Rates Adopted by the General Manager and Recommended to the Board of Water and Power Commissioners and Los Angeles City Council			
Rate Schedule	Rates Currently Effective ($/kW-month)	Rates Proposed, April 1, 2022 ($/kW-month)	Rates Proposed Final ($/kW-month)
Schedule 9 – Generator Imbalance Service	Transmission Customer's meter generation compared to resource component of base schedule	No change proposed	Not applicable
Schedule 9A – Generator Imbalance Service when EIM Suspended	Hourly Proxy Price	No change proposed	Not applicable
Schedule 10 – Generator Regulation and Frequency Response	$6.247 6.627% purchase obligation (variable resources) 1.885% purchase obligation (dispatchable resources)	$13.837 14.272% purchase obligation (variable resources) 2.256% purchase obligation (dispatchable resources)	$11.606 14.272% purchase obligation (variable resources) 1.885% purchase obligation (dispatchable resources)
Schedule 11 – Unreserved Use of Transmission Service	Penalty rate	No change proposed	Not applicable
Schedule 12 – Real Power Losses	Sections 15.7 and 28.5: • 5.02% Intermountain Power Project Direct Current segment • 6.07% for Pacific Direct Current Intertie segment • 1.78% for only Alternative Current segments • 5.89% for PALOVERDE500 to Sylmar segment	No change proposed	Not applicable

Additionally, Attachment H was updated to reflect LADWP's annual transmission revenue requirement, as modified by the decisions contained within the General Manager's Certificate.

The General Manager's non-rate recommendations are summarized as follows:

The General Manager's recommended changes to the non-rate terms and conditions of the OATT are summarized as follows:

- **Definitions**: The specific defined terms were modified to move towards language utilized by FERC in the *pro forma* OATT except where necessary to recognize LADWP's status as a section 201(f) entity under the Federal Power Act ("FPA").
- **Parts II and III**: The specific portions of Parts II and III were modified to move towards language utilized by FERC in the *pro forma* OATT except where necessary to recognize LADWP's status as a section 201(f) entity under the FPA.
- **Attachment A-2**: Clarifying edit to a definition.
- **Changes to Attachment D – Methodology for Completing a System Impact Study and Form of Agreement:** Within the methodology for completing a system impact study, LADWP updated the factors in determining capacity availability on the transmission system. Within the form of Agreement, LADWP amended Section 3.5 "Estimated Time" for completing the system impact study, Section 5.5 "Force Majeure," and Section 5.6 "Assignment" to be consistent with the FERC *pro forma* provisions.
- **Changes to Attachment M – Large Generator Interconnection Procedures:** Large generator interconnection procedures were amended to incorporate changes addressed in FERC Order No. 845 and replace the serial approach for conducting interconnection studies with a "first-ready, first served" cluster study process.
- **Add new Attachment N – Small Generator Interconnection Procedures:** Add a new Attachment N providing small generator interconnection procedures that utilize a "first-ready, first served" interconnection cluster study process.
- **Changes to Attachment O – Energy Imbalance Market:** Attachment O was amended to correct a charge code reference in Section 8.5.6 "Flexible Ramping Product," add charge code suballocations to Section 8.5.8 "Other EIM Settlement Provisions," remove a suballocation reference in Section 8.8 "Variable Energy Resource Forecast Charge," and to correct references to terms.
- **Add new Attachment P – Transmission Line Ratings:** Add a new Attachment P incorporating ambient-adjusted ratings, emergency ratings, and seasonal rating for the transmission lines over which LADWP provides transmission service as addressed in FERC Order No. 881, and providing for a database of the transmission line ratings and transmission line rating methodologies to be maintained on LADWP's open access same-time information system site or other password-protected website.

The General Manager finds that the proposed OATT revisions establish rates, and terms and conditions of service that are comparable to those under which LADWP provides transmission services and ancillary services to itself and that are not unduly discriminatory or preferential.

The General Manager certifies in this Certificate that the proposed rates were developed using traditional principles, processes, and procedures of cost-of-service rate making. However, the General Manager is, in several instances, electing to forego the full rate increases permitted by the aforementioned conventional methods in favor of more gradual adjustments, offering a smoother transition for ratepayers.

The General Manager recommends that the Board of Water and Power commissioners of LADWP and the Los Angeles City Council ("City Council") approve the proposed OATT revision, becoming effective on the first day of the month, following the date of City Council approval.

General Manager's Certificate

PART I: INTRODUCTION

Pursuant to Section 10(b) of the Tariff Changes Procedures Business Practice for the Department of Water and Power for the City of Los Angeles,[5] the General Manager of the Los Angeles Department of Water and Power ("LADWP") hereby certifies and provides the following statement with regard to the attached changes to LADWP's Open Access Transmission Tariff ("OATT") (collectively "Tariff Revisions," individually "Proposed Rates" and "Proposed Tariff").[6]

Since LADWP initiated the process for the Tariff Revisions on April 1, 2022, stakeholders have provided over 2,000 pages of written comments and attachments, submitted 1,237 discovery requests, and participated in two stakeholder meetings and technical conferences on the Tariff Revisions. LADWP appreciates the constructive feedback provided by stakeholders and notes that multiple stakeholder comments have now been incorporated into the Proposed Tariff.

The General Manager deemed the undisputed portions of LADWP's proposed OATT as accepted and supported by the record. This General Manager's Certificate responds to stakeholders' comments and contains the General Manager's recommended OATT amendments.[7]

The General Manager's recommended changes to LADWP's current OATT rates and non-rate terms and conditions of service are summarized as follows:

The General Manager's rate recommendations are summarized as follows:

Table 1 below summarizes LADWP's current OATT rates, the April 1, 2022, proposed OATT rates, and the rate adopted by the General Manager in this Certificate.

[5] *See* Tariff Change Procedures § 10(b).

[6] Per Section 10(b) of the Tariff Change Procedures, it is required that, if the "General Manager decides to submit a Tariff Proposal for approval by the Governance, the General Manager, with support from the Chairperson and LADWP Representatives, shall prepare and post on OASIS a certification." *Id.* The Certificate shall include, inter alia, a "statement of authority of the Governance to adopt the Tariff Proposal," an "explanation that the Tariff Proposal was developed in accordance with" the Tariff Change Procedures, and an explanation that "responds to the major comments, criticisms, and alternatives offered during the Comment Period, and any adjustments to the Proposed Rate Adjustment and/or Proposed Tariff Change contained in the Tariff Proposal in response to comments." *Id.* The General Manager is also required to certify that "any Rate Adjustment contained in the Tariff Proposal was developed using traditional principles, processes and procedures of cost-of- service Rate making." *Id.*

[7] The General Manager's Certificate (including its attachments) are available on the LADWP Open Access Information System in the DWP Notices folder.

Table 1: Summary of Wholesale Electric Transmission Rates Adopted by the General Manager and Recommended to the Board of Water and Power Commissioners and Los Angeles City Council			
Rate Schedule	Rates Currently Effective ($/kW-month)	Rates Proposed, April 1, 2022 ($/kW-month)	Rates Proposed Final ($/kW-month)
Schedule 1 – Scheduling, System Control and Dispatch	$0.119	$0.206	$0.171
Schedule 1A – EIM Administrative Service	Sub-allocation of CAISO charges	No change proposed	Not applicable
Schedule 2 – Reactive Supply and Voltage Control	$0.173	$0.167	$0.137
Schedule 3 – Regulation and Frequency Response	$6.247 1.885% purchase obligation	$13.835 2.256% purchase obligation	$11.604 1.885% purchase obligation
Schedule 4 – Energy Imbalance Service	Transmission Customer's meter load compared to base schedule	No change proposed	Not applicable
Schedule 4A – Energy Imbalance Service when EIM Suspended	Hourly Proxy Price	No change proposed	Not applicable
Schedule 5 – Operating Reserve – Spinning Reserve	$10.218 4.874% purchase obligation	$13.617 5.445% purchase obligation	$11.425 4.549% purchase obligation
Schedule 6 – Operating Reserve – Supplemental Reserve	$2.325 4.874% purchase obligation	$4.016 5.445% purchase obligation	$3.288 4.549% purchase obligation
Schedules 7 & 8 – Long-Term Firm, Short-Term Firm, and Non-Firm Transmission	$2.936	$5.237	$4.136
Schedule 9 – Generator Imbalance Service	Transmission Customer's meter generation compared to resource component of base schedule	No change proposed	Not applicable
Schedule 9A – Generator Imbalance Service when EIM Suspended	Hourly Proxy Price	No change proposed	Not applicable

Table 1: Summary of Wholesale Electric Transmission Rates Adopted by the General Manager and Recommended to the Board of Water and Power Commissioners and Los Angeles City Council			
Rate Schedule	Rates Currently Effective ($/kW-month)	Rates Proposed, April 1, 2022 ($/kW-month)	Rates Proposed Final ($/kW-month)
Schedule 10 – Generator Regulation and Frequency Response	$6.247 6.627% purchase obligation (variable resources) 1.885% purchase obligation (dispatchable resources)	$13.837 14.272% purchase obligation (variable resources) 2.256% purchase obligation (dispatchable resources)	$11.606 14.272% purchase obligation (variable resources) 1.885% purchase obligation (dispatchable resources)
Schedule 11 - Unreserved Use of Transmission Service	Penalty rate	No change proposed	Not applicable
Schedule 12 – Real Power Losses	Sections 15.7 and 28.5: • 5.02% Intermountain Power Project Direct Current segment • 6.07% for Pacific Direct Current Intertie segment • 1.78% for only Alternative Current segments • 5.89% for PALOVERDE500 to Sylmar segment	No change proposed	Not applicable

Additionally, Attachment H was updated to reflect LADWP's annual transmission revenue requirement, as modified by the decisions contained within the General Manager's Certificate.

Importantly, recognizing the potential unexpected financial strain that the rate adjustments in the April 1 Proposal may impose on certain wholesale ratepayers, the General Manager in, this General Manager's Certificate recommends more conservative modifications. Similar to the rates proposed on April 1, 2022, the rates endorsed in this General Manager's Certificate adhere to traditional principles, processes, and procedures of cost-of-service rate making, with the added advantage of reducing the potential for rate shock to wholesale customers.

The General Manager's non-rate recommendations are summarized as follows:

The General Manager's recommended changes to the non-rate terms and conditions of the OATT are summarized as follows:

- **Definitions**: The specific defined terms that were modified to move towards language utilized by the Federal Energy Regulatory Commission ("FERC") in the *pro forma* OATT except where necessary to recognize LADWP's status as a section 201(f) entity under the Federal Power Act ("FPA").
- **Parts II and III**: The specific portions of Parts II and III were modified, to move towards language utilized by FERC in the *pro forma* OATT except where necessary to recognize LADWP's status as a section 201(f) entity under the FPA.
- **Attachment A-2**: Clarifying edit to a definition.
- **Changes to Attachment D – Methodology for Completing a System Impact Study and Form of Agreement:** Within the methodology for completing a system impact study, LADWP updated the factors in determining capacity availability on the transmission system. Within the form of Agreement, LADWP amended Section 3.5 "Estimated Time" for completing the system impact study, Section 5.5 "Force Majeure" and Section 5.6 "Assignment" to be consistent with the FERC *pro forma* provisions.
- **Changes to Attachment M – Large Generator Interconnection Procedures:** Large generator interconnection procedures ("LGIP") were amended to incorporate changes addressed in Order No. 845 and replace the serial interconnection process with a "first-ready, first served" process.
- **Add new Attachment N – Small Generator Interconnection Procedures:** Add a new Attachment N providing small generator interconnection procedures that utilize a "first-ready, first served" interconnection process.
- **Changes to Attachment O – Energy Imbalance Market:** Attachment O was amended to correct a charge code reference in Section 8.5.6 "Flexible Ramping Product," add charge code suballocations to Section 8.5.8 "Other EIM Settlement Provisions," remove a suballocation reference in Section 8.8 "Variable Energy Resource Forecast Charge," and to correct references to terms.
- **Add new Attachment P – Transmission Line Ratings:** Add a new Attachment P incorporating ambient-adjusted ratings, emergency ratings, and seasonal rating for the transmission lines over which LADWP provides transmission service as addressed in Order No. 881, and to providing for a database of the transmission line ratings and transmission line rating methodologies to be maintained on LADWP's open access same-time information system ("OASIS") site or other password-protected website.

The General Manager finds that the proposed OATT revisions establish rates, and terms and conditions of service that are comparable to those under which LADWP provides transmission services and ancillary services to itself and that are not unduly discriminatory or preferential.

The General Manager certifies in this Certificate that the proposed rates were developed using traditional principles, processes, and procedures of cost-of-service rate making.

The General Manager recommends that the Board of Water and Power commissioners of LADWP and the Los Angeles City Council ("City Council") approve the proposed OATT

revision, becoming effective on the first day of the month, following the date of City Council approval.

PART II: BACKGROUND

A. LADWP Is a Non-Jurisdictional Utility under the FPA.

The FPA applies to a "public utility" as defined in FPA section 201(e).[8] Excluded from the definition of "public utility" within the FPA are political subdivisions of a State and their employees "unless such provision makes specific reference thereto." [9] Section 201(f) of the FPA provides as follows:

> No provision in this subchapter shall apply to, or be deemed to include, the United States, a State or any political subdivision of a State, or any agency, authority, or instrumentality of any one or more of the foregoing, or any corporation which is wholly owned, directly or indirectly, by any one or more of the foregoing, or any officer, agent, or employee of any of the foregoing acting as such in the course of his official duty, unless such provision makes specific reference thereto.[10]

The City of Los Angeles is a charter city organized under provisions of the California Constitution. LADWP is a department of the City of Los Angeles that operates a municipal water and power system for the purpose of serving the City of Los Angeles. LADWP is therefore a political subdivision of the State of California and not a public utility within the meaning of the FPA, a legal conclusion that has been validated by the U.S. Court of Appeals for the Ninth Circuit.[11]

As a non-public utility under the FPA, LADWP is responsible for establishing its own electric transmission rates and non-rate terms and conditions of service. Nonetheless, the FPA requires that third-party customers be charged rates that are comparable to the rates LADWP charges itself, and that non-rate terms and conditions of service are applied to third parties in a non-discriminatory or preferential manner.[12] LADWP is not required to file its electric transmission rates or non-rate terms and conditions of service with FERC.[13]

---

[8] 16 U.S.C. § 824(e) ("The term "public utility" when used in this subchapter and subchapter III of this chapter means any person who owns or operates facilities subject to the jurisdiction of the Commission under this subchapter (other than facilities subject to such jurisdiction solely by reason of section 824e(e), 824e(f),[1] 824i, 824j, 824j–1, 824k, 824o, 824o–1, 824p, 824q, 824r, 824s, 824t, 824u, or 824v of this title).").

[9] 16 U.S.C. § 824(f).

[10] *Id.* (emphasis added).

[11] *Bonneville Power Admin., et al v FERC*, 422 F.3d 908 at 915 – 916 (9th Cir. 2005)

[12] FPA § 211, 16 U.S.C. § 824j-1(b) ("[T]he Commission may, by rule or order, require an unregulated transmitting utility to provide transmission services—(1) at rates that are comparable to those that the unregulated transmitting utility charges itself; and (2) on terms and conditions (not relating to rates) that are comparable to those under which the unregulated transmitting utility provides transmission services to itself and that are not unduly discriminatory or preferential.").

[13] *Id*. §§ 672, 675.

B. Governance of LADWP

LADWP is governed by the Board, which consists of five members. The Board has the power and duty to make and enforce all necessary rules and regulations governing the construction, maintenance, operation, connection to, and use of LADWP's water and power assets. Specifically, Los Angeles Administrative Code ("LAAC") section 23.134 authorizes the Board "to establish and set all tariffs, terms, conditions and charges, subject to approval by a simple majority vote of the City Council."[14] Thus, the Board and City Council have the authority and sole responsibility to consider the proposed Tariff Revisions.

C. Development of the Proposed Tariff Revisions

LADWP has adopted transmission business practices for the consideration of proposed changes to its OATT. Section 10(b)(2) of the Tariff Change Procedures requires an explanation of the procedures used to prepare the revisions to demonstrate that any changes are made in accordance with required procedures. The proposed revisions fall into the category of a Major Rate Adjustment and a Major Tariff Change under Section 2 of the Tariff Change Procedures. Section 10(b) of the Tariff Change Procedures requires the General Manager to certify "that any Rate Adjustment contained in the Tariff Proposal was developed using traditional principles, processes and procedures of cost-of- service Rate making."

When establishing wholesale transmission and ancillary service rates the General Manager considers the body of reported FERC orders as being a significant, but not exclusive, publicly available source of the traditional principles, processes and procedures of cost-of-service Rate making. Citations to FERC precedent are not intended to suggest or imply that LADWP is subject to Section 205 or 206 of the FPA, or the just and reasonable statutory language contained therein.

1. For the reasons discussed below, the General Manager finds that the OATT revisions were proposed for stakeholder consideration in accordance with the Tariff Change Procedures Advance Announcement of Major Rate Adjustment or Major Tariff Change[15]

Prior to the actual release of Major Rate Adjustments or Major Tariff Changes, the Tariff Change Procedures requires LADWP to issue an advance announcement describing "the changes to be considered, the expected date of the Notice, and the address where Stakeholders may submit written comments in response to the announcement.".[16]

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[14] LAAC § 23.134 states "Notwithstanding any other ordinance, rule or law of the City of Los Angeles to the contrary, the Board of Water and Power Commissioners shall have authority to establish and set all tariffs, terms, conditions and charges, subject to approval by a simple majority vote of the City Council, which relate to transmission services which would otherwise fall within the jurisdiction of the Federal Energy Regulatory Commission, or when necessary to avoid the exercise of the jurisdiction of the Federal Regulatory Commission under Section 211 of the Federal Power Act."

[15] Tariff Change Procedures § 3.

[16] *Id.*

On March 15, 2022 ("March 15 Notice"), LADWP released an Advance Announcement concerning its intent to consider revisions to its OATT, including rates for transmission and ancillary services.[17] The Advance Announcement stated it would publish the Notice on April 1, 2022, included a proposed timeline for certifying and approving Tariff Revisions, and provided an email address for interested parties to participate in the process.[18]

2. Notice of Proposed Rate Adjustment or Proposed Tariff Change[19]

The Tariff Change Procedures require that the General Manager provide notice to stakeholders of the Proposed Rate Adjustment or Proposed Tariff Change.[20] The notice must be posted on OASIS, identify the Proposed Rate Adjustment and Proposed Tariff Change with a marked version of the Tariff, and explain the need for the changes. The Notice must also include any supporting documentation and any necessary non-disclosure agreement(s). Finally, the Notice must include a schedule that includes the dates, times, and locations of public information forum(s) and public comment forum(s), the end date of the Discovery and Comment Periods, and the anticipated date of the General Manager's Certificate and include an email address for stakeholders to submit written comments, questions, and discovery requests.

On April 1, 2022, the General Manager published the Notice to stakeholders on its OASIS page that officially initiated the public review and comment period of the proposed revisions ("April 1 Proposal")[21] The April 1 Proposal included redline version of the OATT showing changes against the current OATT, a clean version of the OATT, including the proposed changes, the Cost of Service Study ("COSS") (including exhibits and testimony), and information to obtain both Internet and physical access to documents.[22] The April 1 Proposal included an explanation of the need for the proposed tariff changes.

The April 1 Proposal included a schedule including a public information forum, a public comment forum, and proposed dates for data requests and informal discovery, as well as proposed dates for consideration by the LADWP General Manager, the Board, and the City Council ("Procedural Schedule"). Finally, the Notice included the email address to which stakeholders could submit written comments, questions, and discovery requests.

3. Public Information Forum[23]

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[17] LADWP, Advance Announcement of Major Tariff Change and Rate Adjustments (Mar. 15, 2022), *available at* http://www.oasis.oati.com/woa/docs/LDWP/LDWPdocs/Advanced_Announcement_(03.15.2022)_(final).pdf.

[18] *Id*.

[19] Tariff Change Procedures § 4.

[20] *Id*.

[21] Letter from Martin L. Adams, LADWP – General Manager & Chief Engineer, to Customers and Stakeholders (Apr. 1, 2022), http://www.oasis.oati.com/woa/docs/LDWP/LDWPdocs/2022_04_01_-_a_-_General_Managers_Notice.pdf ("April 1 Proposal").

[22] All materials referenced in the April 1 Proposal are available at https://www.oasis.oati.com/ldwp/index.html, under DWP Notices > LADWP 2022 OATT Stakeholder Process.

[23] Tariff Change Procedures § 6.

The Tariff Change Procedures requires that LADWP hold at least one public information forum in which LADWP presents its Proposed Rate Adjustment and Proposed Tariff Change to stakeholders for Major Rate Adjustments and Major Tariff Changes. The first such forum must be held within 15 business days of LADWP giving notice to stakeholders of the proposed rate or tariff changes. LADWP has the discretion to set the number, dates, and locations of such forums based upon anticipated or demonstrated interest, with notice due no later than 5 business days in advance of such forums. . LADWP may elect to transcribe such forums; additionally, documents introduced, as well as questions and written answers, must be posted on the Internet.

As provided in its March 15 Notice, LADWP's first public information forum was held on April 21, 2022 ("April 21 Public Information Forum"),[24] within 15 business days of the April 1 Proposal. During that forum, LADWP introduced the cost-of-service model ("COSS Model") and results as well as an overview of the Proposed Tariff.[25] Following these topics, the forum included question-and-answer sessions on both the COSS Model and the Proposed Tariff. A transcript for the April 21 Public Information Forum has been posted on LADWP's OASIS site.

4. Public Comment Forum[26]

The Tariff Change Procedures require that at least one public comment forum (in which stakeholders present views, data, and arguments to LADWP) be held for Major Rate Adjustments and Major Tariff Changes. LADWP has the discretion to set the number, dates, and locations of such forums based upon anticipated or demonstrated interest, with notice no later than 15 business days in advance of such forums. At the forum, LADWP representatives have an opportunity to engage in a dialogue with stakeholders. LADWP may elect to transcribe such forums.

LADWP held a public comment forum on May 12, 2022 ("May 12 Public Comment Forum"), which was announced over 15 business days in advance. A transcript of the public comment forum has been posted on LADWP's OASIS site.[27]

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[24] LADWP, Transcript, Open Access Transmission Tariff (OATT) Stakeholder Meeting (May 11, 2022), http://www.oasis.oati.com/woa/docs/LDWP/LDWPdocs/042122_Transcript_LADWP_OATT_Stakeholder_Meeting.pdf ("April 21 Transcript").

[25] LADWP, Open Access Transmission Tariff Stakeholder's Meeting Agenda (Apr. 21, 2022), http://www.oasis.oati.com/woa/docs/LDWP/LDWPdocs/LADWP_Stakeholder_Meeting_04202022.pdf

[26] Tariff Change Procedures § 7.

[27] LADWP, Open Access Transmission Tariff Stakeholder Public Comment Forum Meeting, Transcripts (May 12, 2022), *available at* http://www.oasis.oati.com/woa/docs/LDWP/LDWPdocs/Transcript_AM_Session_LADWP_OATT_Stakeholder_Meeting_2022-05-12.pdf and http://www.oasis.oati.com/woa/docs/LDWP/LDWPdocs/Transcript_PM_Session_LADWP_OATT_Stakeholder_Meeting_2022-05-12.pdf.

5. Technical Conference

Although not specifically required by the Tariff Change Procedures, on May 5, 2022, LADWP held a technical conference on the Tariff Revisions.[28] The technical conference specifically offered stakeholders the opportunity to ask questions and provide comments relating to the COSS Model, which was used to compute the Proposed Rates. Stakeholders could also ask questions and provide comments on the Proposed Tariff. A transcript of the technical conference has been posted on LADWP's OASIS site.[29]

During the May 5, 2022, OATT Technical Conference, LADWP agreed to document certain minor corrections to Exhibit Nos. DWP-500, DWP-501, and DWP-101, and added a missing footnote to Exhibit No. DWP-500. None of these minor corrections or additions had any impact on any of the rates which LADWP proposed on April 1, 2022. The corrections were posted to LADWP's OASIS site on May 11, 2022.[30]

6. Discovery and Comment Period

The Tariff Change Procedures require that stakeholders be able to request information from LADWP that is relevant to the proposed rate adjustment for 45 days after the Notice has been posted on LADWP's OASIS site, and submit written comments on the proposed rate adjustment or tariff change until 20 business days after the close of the discovery period.[31] The Tariff Change Procedures also requires a public information forum for LADWP to explain the proposed rate adjustment and proposed tariff change,[32] and a public comment forum for stakeholders to present inputs, data, and oral arguments regarding the proposed rate adjustment and proposed tariff change.[33]

LADWP's schedule for stakeholder consideration of the Tariff Revisions adhered to these requirements.[34]

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[28] LADWP, Notice of Open Access Transmission Tariff Stakeholder Technical Conference Meeting (May 5, 2022), *available at* http://www.oasis.oati.com/woa/docs/LDWP/LDWPdocs/Notice_of_May_5_2022_Technical_Conference_for_Stakeholders_(4-25-22)_(002).pdf.

[29] LADWP, Transcript, Open Access Transmission Tariff (OATT) Technical Conference Meeting (May 11, 2022), *available at* http://www.oasis.oati.com/woa/docs/LDWP/LDWPdocs/050522_Transcript_OATT_Technical_Conference_for_Stakeholders.pdf.

[30] LADWP, Notice of Corrections, Open Access Transmission Tariff (OATT) (May 11, 2022), *available at* http://www.oasis.oati.com/woa/docs/LDWP/LDWPdocs/Notice_of_Corrections_to_DWP-500_and_501_and_DWP-101_(10.11.pdf.

[31] Tariff Change Procedures § 6.

[32] *Id.* § 7.

[33] *Id.* § 8.

[34] April 1 Proposal at 10; LADWP, Notice of Schedule Change, Open Access Transmission Tariff (OATT) (May 5, 2022), http://www.oasis.oati.com/woa/docs/LDWP/LDWPdocs/Am_5_Notice_-_Schedule_Change_(05.04.2022)3_(002).pdf; LADWP, Notice of Schedule Change, Open Access Transmission Tariff (OATT) (Sept. 22, 2022), *available at*

During the discovery and comment period, LADWP received 1,189 discovery requests from Burbank and Glendale and 26 discovery requests from PowerEx for a total of 1,215 discovery requests. Due to the time necessary to respond to stakeholder discovery requests, the schedule was temporarily suspended and revised to extend the discovery and public comment period until June 16, 2022.[35] On September 16, 2022, LADWP responded to all outstanding and timely submitted discovery requests. On September 23, 2022, LADWP revised the schedule to provide stakeholders with an opportunity to submit follow-up data requests through October 13, 2022. Due to the volume of discovery requests that were submitted, LADWP again suspended the schedule to allow for time to respond to timely submitted discovery requests. On January 10, 2023, LADWP completed its response to follow-up discovery requests. At that time LADWP published a new schedule establishing February 22, 2023, as the deadline for stakeholders to submit written comments to LADWP.[36]

As of the close of stakeholder comments on February 22, 2023, LADWP received comments from the following stakeholders:

- PowerEx;[37] and
- Cities of Glendale and Burbank (collectively, the "Cities").[38]

In total LADWP received over 2,200 pages of comments submitted by stakeholders. PowerEx submitted 24 pages of comments. The Cities submitted 922 pages of comments and testimony, plus more than 1,200 additional pages of attachments and exhibits.

In the following sections of this certificate, Part III "Decision on Process Issues Raised in Stakeholder Comments" summarizes and addresses stakeholder's process comments. Part IV "Description of LADWP's Proposed Tariff Revisions" summarizes LADWP's proposed rates and proposed non-rate changes. Part V "Decision on the Disputed Rate Issues Raised in Stakeholder Comments" summarizes and addresses stakeholder's rate comments. Part VI

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http://www.oasis.oati.com/woa/docs/LDWP/LDWPdocs/2022_09_22_Am_5_Notice_-_Schedule_Change.pdf; LADWP, Notice of Schedule Change, Open Access Transmission Tariff (OATT) (Jan. 13, 2023), *available at* http://www.oasis.oati.com/woa/docs/LDWP/LDWPdocs/2023_01_13_Am_5_Notice_-_Schedule_Change_(01.13.2023).pdf; LADWP, Notice of Schedule Change, Open Access Transmission Tariff (OATT) (Mar. 30, 2023), *available at* http://www.oasis.oati.com/woa/docs/LDWP/LDWPdocs/OATT_Am_5_Stakeholder_Process_Schedule_(Updated_3-30-23)_(002).pdf.

[35] Revised Stakeholder Schedule (May 5, 2022), *available at* http://www.oasis.oati.com/woa/docs/LDWP/LDWPdocs/Am_5_Notice_-_Schedule_Change_(05.04.2022)3_(002).pdf

[36] Revised Stakeholder Schedule (January 13, 2023), available at http://www.oasis.oati.com/woa/docs/LDWP/LDWPdocs/2023_01_13_Am_5_Notice_-_Schedule_Change_(01.13.2023).pdf

[37] Brief of PowerEx Corp. (Feb. 22, 2023), *available at* http://www.oasis.oati.com/woa/docs/LDWP/LDWPdocs/Powerex_Brief_-_LADWP_2022_Rate_Proceeding_2.22.23.pdf ("PowerEx Brief").

[38] Comments of the Cities of Burbank California and Glendale, California Departments of Water and Power (Feb. 22, 2023), *available at* http://www.oasis.oati.com/woa/docs/LDWP/LDWPdocs/BWP-GWP_Comments_on_LADWP_2022_OATT_Update_-_Final_submission_to_LADWP_2-22-23_(PUBLIC).pdf ("Burbank and Glendale Comments").

"Decision on the Disputed Non-rate Issues Raised in Stakeholder Comments" summarizes and addresses stakeholder's non-rate comments. Part VII "Effective Date" identifies the proposed effective date for the proposed Tariff Revisions. Part VIII "Attachments" identifies the attachments to this General Manager's Certificate. Part IX "General Manager Recommendations and Certification" identifies the General Manager's recommendations for the proposed Tariff Revisions and certification.

PART III: DECISION ON PROCESS ISSUES RAISED IN STAKEHOLDER COMMENTS

This section discusses the stakeholder process comments submitted by PowerEx and the Cities, and the General Manager's decision on those matters.

A. Stakeholder Process

1. Comments Received

PowerEx comments request (1) additional informal consultation with customers in "future proceedings" in advance of initiating the formal tariff revision process,[39] and (2) stricter adherence to the initial schedule and/or extended timelines for discovery and comments in "future proceedings."[40]

The Cities also request that LADWP prospectively make changes to its Tariff Change Procedures, including, among other things, committing to a strict schedule that applies to all sides with automatic delays for deadlines missed by LADWP, adopting standard procedures for discovery, and adding rounds of rebuttal and surrebuttal testimony.

2. General Manager's Decision

LADWP has a business practice for changing its business practices, which includes the Tariff Change Procedures that apply to this stakeholder process.[41] Upon conclusion of this proceeding, LADWP shall consider changes to the Tariff Change Procedures and at that time will consider the request by PowerEx and the Cities for changes to its business practices.

Additionally, the General Manager finds that the delays in the stakeholder process discussed by both PowerEx and the Cities were the direct result of the extensive discovery submitted by the Cities. In all cases, while the Cities may disagree, LADWP staff responded to all stakeholder discovery requests. LADWP staff extended the discovery process to afford the Cities and all stakeholders time to submit follow-up discovery requests and extended the time for stakeholders to submit comments. Further, the time between the close of stakeholder comments and the issuance of this General Manager's Certificate was necessary to consider the more than 2,200 pages of comments submitted by stakeholders. While PowerEx submitted 24 pages of

[39] *See* PowerEx Brief at 2-3.

[40] *See* PowerEx Brief at 3-4.

[41] *See* Process to Create New Business Practices and Amend Existing Business Practices, Version 5 (eff. date Jul. 28, 2020).

comments, the Cities submitted 922 pages of comments and testimony, plus more than 1,200 additional pages of attachments and exhibits.

B. Discovery Responses

1. Comments Received

In general, the Cities criticize LADWP's staff's response to its discovery questions. The Cities claim that LADWP did not respond fully, adequately, and efficiently to the Cities' requests for information and that, in doing so, LADWP did not provide a meaningful opportunity for the Cities to obtain information about, and provide input on, the Tariff Revisions. More specifically, the Cities assert that:

(1) LADWP did not timely respond to the Cities' discovery requests;

(2) LADWP determined that a large number of the Cities discovery requests sought information, documents, or data that was irrelevant, beyond the scope of the Tariff Revisions, or not used by LADWP when making the Tariff Revisions;

(3) Numerous discovery request responses prompted multiple follow-up rounds because LADWP provided only partial answers, incorrectly stated that requested documents did not exist, provided information that contained errors and/or could not be deciphered before the conclusion of the discovery process; and

(4) On one occasion, LADWP did not notify stakeholders when correcting errata in a discovery response posted on LADWP's OASIS site.

2. General Manager's Decision

The General Manager finds that the Cities' criticisms are unfounded. LADWP received from PowerEx three sets of discovery containing 26 individual requests. The Cities submitted 19 sets of discovery containing 1189 individual requests. During the follow-up discovery period running between September 23, 2022 and October 3, 2022, the Cities submitted an additional one set of discovery containing an additional 22 individual requests. In total, LADWP received and responded to a total of 1,237 individual discovery requests by the close of discovery on January 10, 2023.

The Cities complain that LADWP staff did not provide some requested information. The purpose of discovery is for stakeholders to request information from LADWP that is relevant to the proposed rate adjustment or tariff change.[42] LADWP staff responded to all requests for discovery that were within the scope of the proceeding. Not responded to were requests for discovery that were outside the scope of the proceeding. For example, the Cities attempted to obtain data and information relating to LADWP''s formulation of its retail rates "to determine whether LADWP was inappropriately allocating retail costs to wholesale Tariff Customers . . . ."[43] The General Manager finds that it was proper for LADWP staff to deny the requested information. The Tariff Revisions do not include proposed revisions to LADWP's

[42] Tariff Change Procedures § 6(a).

[43] *See* Burbank and Glendale Comments at 25.

formulation of its retail rates. Additionally, by the Cities own admission, they used discovery requests to audit LADWP's compliance with the OATT.[44] For example, Burbank and Glendale's Discovery Question 443 read in relevant part as follows:

> Follow-up to LADWP's response to IR No. 194. The requested information is relevant to LADWP's compliance with all relevant terms and conditions of the LADWP OATT, LADWP Business Practices, and FERC standards. Without such information, it is not possible to determine whether LADWP is in full compliance with the LADWP OATT, LADWP Business Practices, and FERC standards.

The General Manager finds that the Cities misused the discovery process by requesting information that was outside the scope of the proposed Tariff Revisions. Accordingly, the General Manager finds that it was proper for LADWP staff to deny the Cities' requests for information for the purpose of auditing compliance.

LADWP, pursuant to its Tariff Change Procedures, is required to make "reasonable efforts" to meet the 10-day deadline. LADWP made such reasonable efforts, but due to the volume of comments was unable to respond within the 10-days despite LADWP's diligence in doing so. When LADWP was unable to meet proposed deadlines, LADWP extended stakeholder deadlines such that they were not harmed by any delay on LADWP's part. Finally, LADWP opened an additional discovery period for a second opportunity to submit follow-up requests.

The General Manger finds that LADWP's posting of a revised discovery response on its OASIS site, which is the forum through which information is communicated to stakeholders, was proper and no additional notification is required to be provided to stakeholders.

For the foregoing reasons, the General Manager finds that LADWP provided a fair and reasonable process for stakeholders to consider the proposed Tariff Revisions that is consistent with the Tariff Change Procedures.

PART IV: DESCRIPTION OF LADWP'S PROPOSED TARIFF REVISIONS

On April 1, 2022, the General Manager posted a notice initiating a stakeholder process in support of a Major Rate Adjustment and a Major Tariff Change to LADWP's OATT. Specifically, LADWP proposed to modify the transmission and ancillary service rates, and non-rate terms and conditions of its OATT. This section describes LADWP's proposed Tariff Revisions.

A. Proposed Rates for Transmission and Ancillary Services

In developing the Proposed Rates identified in the April 1 Proposal, LADWP retained a team of consultants to develop Cost of Service rates for the transmission and ancillary services offered under Schedules 1, 2, 3, 5, 6, 7, 8, and 10 of the LADWP OATT using audited financials corresponding to the July 1, 2019 through June 30, 2020 fiscal year ("Test Period"). The Test Period corresponded to the most recently audited financial data of LADWP.

[44] *E.g.*, Burbank and Glendale Discovery Questions 343(a), 443, and 460.

The consultants utilized financial data from LADWP's General Ledger and other accounting databases to develop proposed rates that are consistent with traditional principles, processes, and procedures of cost-of-service ratemaking and are intended to produce transmission and ancillary service rates that are comparable to those that LADWP charges itself, consistent with section 211A of the FPA.[45] Specifically, witnesses David B. Cohen and Ed Lucero of Guidehouse Inc., along with Thomas E. Washburn, Donna S. Painter, and Frederick F. Haddad, Jr. from nFront Consulting, prepared and supported relevant Cost of Service Statements AA-BM for the Test Period, which were similar to the cost support that would be required of a jurisdictional utility under section 35.13(h) of FERC's regulations.[46] These cost support statements are included in a workable Microsoft Excel file as Exhibit No. DWP-101.[47] Exhibit No. DWP-100 provides detailed explanations of the Cost of Service Statements AA-BM, how data flows in the OATT Model, and how the rates are derived.

In addition to the Test Period financial data provided by LADWP, Larry W. Riegle of Guidehouse Inc. provided testimony and exhibits in support of the rate of return (Statement AV) applied to LADWP's rate base, including a return on equity determined using current FERC precedent.[48] Nancy Heller Hughes, of NewGen Strategies and Solutions, LLC, performed a depreciation study to develop new depreciation rates, as detailed in her testimony.[49] Eddie Abadi of Guidehouse Inc. provided testimony and analysis to support his calculation of the purchase obligations used to derive rates for Schedules 3 and 10.[50] LADWP's depreciation expense is reflected in Statement AJ in Exhibit No. DWP-101. Jennifer Tripp of nFront Consulting performed a functional analysis of LADWP's transmission and related facilities to determine which facilities should be classified for ratemaking purposes as transmission, consistent with FERC's Seven-Factor Test[51] and *Mansfield*[52] analyses.[53] The re-classification of assets pursuant

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[45] 16 U.S.C. § 824j-1(b).

[46] 18 C.F.R. § 35.13(h) (2016).

[47] Exh. No. DWP-100, *et seq*.

[48] *Coakley v. Bangor-Hydro Elec. Co.*, Opinion No. 531, 147 FERC ¶ 61,234, *order on paper hearing*, Opinion No. 531-A, 149 FERC ¶ 61,032 (2014), *reh'g denied*, Opinion No. 531-B, 150 FERC ¶ 61,165 (2015), *vacated and remanded Emera Me. v. FERC*, 854 F.3d 9 (D.C. Cir. 2017); *Midcontinent Indep. Sys. Operator, Inc.*, Opinion No. 551, 156 FERC ¶ 61,234 (2016). LADWP notes that Opinion No. 531 was vacated and remanded by the U.S. Court of Appeal for the District of Columbia Circuit in *Emera Maine v. FERC*. However, it was not vacated on grounds that are at issue in this proceeding, and FERC guidance on remand will not be available for some time.

[49] Ex. No. DWP-300, *et seq*.

[50] Ex. No. DWP-400, *et seq*.

[51] *Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities*, Order No. 888, 1991–1996 FERC Stats. & Regs., Regs. Preambles ¶ 31,036, at p. 31,771 (1996), *order on reh'g*, Order No. 888-A, 1996–2000 FERC Stats. & Regs., Regs. Preambles ¶ 31,048, *order on reh'g*, Order No. 888-B, 81 FERC ¶ 61,248 (1997), *reh'g denied*, Order No. 888-C, 82 FERC ¶ 61,046 (1998), *aff'd in part and remanded in part sub nom. Transmission Access Policy Study Grp. v. FERC*, 225 F.3d 667 (D.C. Cir. 2000), *aff'd sub nom. New York v. FERC*, 535 U.S. 1 (2002).

[52] *Mansfield Mun. Elec. Dep't*, Opinion No. 454, 97 FERC ¶ 61,134 (2001), *reh'g denied*, Opinion No. 454-A, 98 FERC ¶ 61,115 (2002).

[53] Ex. No. DWP-500, *et seq*.

to Ms. Tripp's functional analysis is reflected in the "7 Factor Summary" tab of Exhibit No. DWP-101.

Current rates, the rates included with the April 1 Proposal, along with the General Manager's recommended rates are reflected in Table 1.

B. Proposed Non-Rate Terms and Conditions

In its April 1 Proposal, LADWP submitted a Proposed Tariff proposing changes to the non-rate terms and conditions of the OATT, which are illustrated in the red-lined OATT attached to the April 1 Proposal as Appendix A. As explained in the testimonies of Arevik Petrosyan (Exhibit No. DWP-600), Jom Woramali (Exhibit No. DWP-700), and Denis Obiang (Exhibit No. DWP-800), LADWP proposes changes to Attachment D – Methodology for Completing a System Impact Study and Form of Agreement to become more consistent with the FERC *pro forma* provisions, changes to Attachment M – Large Generator Interconnection Procedures to incorporate changes addressed in Order No. 845 and replace the serial interconnection process with a "first-ready, first served" process, adding a new Attachment N – Small Generator Interconnection Procedures adding small generator interconnection procedures that utilize a "first-ready, first served" interconnection process, removing charge codes utilized by the California Independent System Operator Corporation ("CAISO") for suballocation under Attachment O – Energy Imbalance Market, adding a new Attachment P – Transmission Line Ratings incorporating ambient-adjusted ratings, emergency ratings, and seasonal rating for the transmission lines over which LADWP provides transmission service as addressed in FERC Order No. 881, and to provide a database of the transmission line ratings and transmission line rating methodologies to be maintained on LADWP's OASIS site or other password-protected website.

As explained in the testimony of Jom Woramali (Exhibit No. DWP-700), LADWP proposes changes related to the interconnection of electric generators to the LADWP's electric transmission system. Generally, LADWP's proposed reforms can be separated into three categories. First, LADWP is proposing to reform its LGIP to incorporate changes made by FERC in Order Nos. 845 (improved certainty for Interconnection Customers, promotes more informed interconnection decisions, and to enhance the efficiency of the interconnection process) and 528 (material modifications). Second, LADWP is proposing to reform its LGIP to transition its interconnection procedures from a serial interconnection process to a "first-ready, first served" approach, using clustered studies. Third, LADWP is incorporating small generator interconnection procedures including an agreement for generators less than 20 MW into the OATT.

The testimony of Denis Obiang (Exhibit No. DWP-800) builds on the testimony of Jom Woramali by discussing in detail the proposed transition of LADWP's existing serial interconnection process to a proposed first-ready, first served interconnection process.

Attachment O to LADWP's OATT addresses LADWP's participation in the CAISO's Energy Imbalance Market ("EIM"). LADWP proposes limited changes to Attachment O. LADWP proposes typographical changes and adds two settlement provisions to be sub-allocated as charges to LADWP EIM Entity pursuant to the Market Operator ("MO") Tariff: (1) Spinning Reserve, Neutrality Allocation, and (2) Non-spinning Reserve Neutrality Allocation. According to the testimony of Mr. Petrosyan, these charge codes are imposed by the CAISO, as part of the

EIM settlement process and were added to Attachment O to reflect the appropriate allocation of these costs. These charge codes were unintentionally omitted from Attachment O when it was developed by LADWP. LADWP also removed the "Vendor charges and handling fee" charge from Attachment O because, in LADWP's experience, it had not been charging this cost to any customers and, therefore, the charge code seemed unnecessary.

There remain a small set of FERC *pro forma* OATT provisions that have not yet been incorporated so that LADWP staff can focus their efforts on the implementation of more labor-intensive generator interconnection changes such as complying with the North American Energy Standards Board's commercial standards when selling transmission and ancillary services. The remaining divergencies from the FERC *pro forma* OATT including those resulting from FERC Order No. 2023, will be reconsidered during a future major change to the LADWP OATT. LADWP is committed to offering transmission services that are comparable and not unduly discriminatory or preferential and is interested in customer feedback on the materiality of this delay.

PART V: DECISION ON THE DISPUTED RATE ISSUES RAISED IN STAKEHOLDER COMMENTS

Part IV "Description of LADWP's Proposed Tariff Revisions," above, summarizes LADWP's proposed transmission and ancillary service rate changes. This section discusses the rate aspects of LADWP's Tariff Revisions that are disputed by stakeholders, and the General Manager's decision on those matters. The undisputed rate portions of LADWP's Tariff Revisions are deemed accepted and supported by LADWP.

A. Rate Shock

1. Stakeholder Comments

PowerEx's comments discuss the customer impact of the magnitude of the rate increases set forth in the April 1 Proposal and the benefits of engaging with customers informally about the potential magnitude and drivers for rate increases before the start of the stakeholder process.

2. General Manager's Decision

The General Manager acknowledges the customer impact of the proposed rates and has made decisions within this General Manager's Certificate to reduce the magnitude of the rate increase. The General Manager will consider engaging with stakeholders prior to the next major change in transmission and ancillary service rates. More precisely, the General Manager suggests rates lower than those proposed on April 1, 2022, to dampen the impact for wholesale ratepayers of abrupt rate fluctuations. While the analysis permits various just and reasonable rates for each relevant rate schedule, the General Manager has chosen to propose more modest rates that prioritize cost stability for ratepayers.

B. Rate Divisor - Statement BB

1. LADWP Proposal

LADWP used the average of the twelve coincident peak loads ("12 CP") during the Test Period as the denominator to develop the OATT transmission and ancillary service rates in the April 1 Proposal.[54] The average of LADWP's twelve monthly peaks during the Test Period (LADWP Native Load plus long-term firm point-to-point reservations under the OATT) is 5,509 MW.[55] The proposed use of 12 CP aligns with LADWP's current transmission planning and LADWP's operational realities including retirement of fossil fuel generators including large base loaded generation, changing capacity mix, growth of distributed energy resources, growth in renewables, and replacement of aging transmission infrastructure.[56]

During LADWP's 2017 OATT stakeholder proceeding, LADWP used the 12 CP methodology to propose changes to its wholesale transmission rates based on the Fiscal Year ("FY") 14/15 Test Period but ultimately based rates utilizing the 4 CP method.[57] In the General Manager's decision LADWP noted that it would continue to monitor the operational realities of its system, which may dictate a shift to 12 CP in the future.[58] Since the FY14/15 Test Period, those operational realities have indeed shifted to necessitate use of a 12 CP method. For example, LADWP's generating capacity mix has accelerated its shift to renewables, increasing its percentage of renewables by 250% from FY14/15 to FY19/20, with the LADWP generating capacity mix being 15% renewable for FY19/20.[59] This percentage of renewables in LADWP's generating capacity mix is anticipated to continue in an upward increase until it reaches its goal of 100% carbon-free energy by 2035.[60]

Furthermore, transmission upgrades to improve aging infrastructure have been unprecedented and are forecasted to continue growth.[61] LADWP's transmission planning process since FY14/15 has included more in-depth analysis to capture the full range of LADWP's operational realities and included more sensitivity and contingency cases to plan for worst-case scenarios across all seasons, stressed conditions, and importing renewable energy year-round utilizing transmission corridors and various interties.[62] Given this and the FY19/20 data, the 12 CP method is the method which most closely aligns with LADWP's current transmission planning and the full range of LADWP's operational realities.

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[54] Ex. No. DWP-100 (Cohen) at 118:10; Statement BB.

[55] Ex. No. DWP-100 (Cohen) at 118:13.

[56] *Id*. at 119-25.

[57] *Id*. at 124:18-22.

[58] *Id*. at 124:23-125:1.

[59] *Id*. at 125:1-11.

[60] *Id*. at 125:6-9.

[61] *Id*. at 120:16-20.

[62] *Id*. at 121-22.

In response to Burbank and Glendale Data Request No. BG-1-01, LADWP discussed in detail that the 12 CP method is consistent with LADWP's transmission planning.[63] LADWP explained that it is subject to North American Electric Reliability Corporation ("NERC") and Western Electric Coordinating Council reliability standards, including Transmission Planning standards, which require that LADWP plan its system for all critical conditions, including peak and off-peak periods, variety of contingencies, and varied dispatch patterns and uses and would require planning for availability of transmission service throughout the year (all twelve monthly peaks) on firm basis.[64] This year-round planning supports LADWP's transmission provider obligations such as constructing network upgrades to enable generator interconnection or a request for year-round firm point-to-point service.[65]

2. Comments Received

(a) PowerEx

In its brief, PowerEx argued that the use of 12 CP for calculating LADWP rates is not appropriate and that LADWP should retain its current 4-CP cost allocation methodology to allocate transmission costs between customer classes.[66] PowerEx highlights that LADWP still fails three of the load-related screens that FERC has analyzed to determine whether 12 CP is appropriate.

PowerEx comments that FERC's three system demand tests reveal that LADWP operates a 4 CP system.[67] Furthermore, PowerEx comments that FERC has approved the allocation of demand on a 12 CP basis when a company "has a relatively flat demand curve"[68] because such a methodology "assumes that a utility's fixed costs are related to the demand throughout all 12 months of the year."[69] Thus, "a summer (or winter) peaking company," such as LADWP, even with changes to the system's capacity mix, would not typically allocate demand on a 12 CP basis.[70] For example, LADWP's monthly coincident peak data for the Test Period (exclusive of the flat long-term point-to-point reservations), demonstrates LADWP's summer peaking load profile, a profile that the Commission has typically found to merit a 4 CP methodology.[71]

PowerEx also comments that LADWP has not presented sufficient evidence that its operational circumstances have materially changed since 2017 and that its system diversity does

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[63] May 5, 2022 LADWP Response to Burbank and Glendale Data Request BG-1-01, Attachment 1 of 3, *available at* https://www.oasis.oati.com/woa/docs/LDWP/LDWPdocs/BG-1-01_Attachment_1_of_3.pdf.

[64] *Id*.

[65] *Id*.

[66] PowerEx Brief at 5.

[67] *Id*. at 9.

[68] *Id*. (citing *Golden Spread Elec. Cooperative, Inc. v. Sw. Pub. Serv. Co.*, Opinion No. 501, 123 FERC ¶ 61,047 (2008), *order on reh'g*, Opinion No. 501-A, 144 FERC ¶ 61,132 at P 46 (2013) ("Opinion No. 501-A")).

[69] Opinion No. 501-A, 144 FERC ¶ 61,132 at P 46.

[70] *See id*.

[71] PowerEx Brief at 7 (citing BG-1-58, Attachments 1 and 2).

not justify use of a 12 CP methodology. PowerEx comments that it believes LADWP is a summer peaking utility even in light of changes to the system's capacity mix. In other words, LADWP is not unique due to its system's changing resource mix, and in the absence of a showing that these changes result in a fundamental difference to its transmission planning due to its transmission planning no longer being a summer peaking utility, it should maintain its current 4 CP methodology and not proceed with a 12 CP methodology.[72]

(b) Burbank and Glendale

In their February 22, 2023 comments, Burbank and Glendale argued that the use of 12 CP for calculating LADWP rates is not appropriate. Burbank and Glendale claim that LADWP's "operating realities," its compliance with Renewable Portfolio Standards, Long-Term Transmission Assessment, Strategic Long Term Resource Plan, Retail Electric Sales and Demand Forecast, Load Forecasts, Interconnection Studies and Network Upgrades and its rulemaking comments filed with the Commission in March 2021[73] do not show that it is qualified to use a 12 CP rate divisor under FERC's precedent.[74] In lieu of 12 CP, Glendale and Burbank claim that use of 1 CP would be more appropriate based on their contention that LADWP is a summer-peaking utility.[75]

Like PowerEx, Burbank and Glendale highlight that LADWP failed FERC's three system demand tests for determining if a 12 CP rate divisor was appropriate.[76] Burbank and Glendale also comment that LADWP's compliance with the Renewable Portfolio Standards does not support LADWP's proposed use of 12 CP because LADWP is not required to meet any portion of its monthly transmission system peak loads with renewable resources.[77]

3. General Manager's Decision

LADWP will use 4 CP to calculate the rate divisor in Statement BB, which will in turn be used to calculate the rate in Statement BL. Although these screens do not provide a "hard and fast rule" and are but one factor considered by FERC in analyzing operational realities, the General Manager finds that the load data during the Test Period supports the use of 4 CP. Thus, while the totality of operational realities could support either the use of 12 CP or 4 CP, the statistical screen analysis[78] of the load data in the Test Period has influenced the General Manager to find that the balance tips slightly in favor of the use of a 4 CP seasonal divisor, which is consistent with seasonal divisors used by utilities with similar load profiles that are

[72] *Id*. at 17.

[73] Comments of the Los Angeles Department of Water and Power in FERC Docket No. RM20-16 (Mar. 2021).

[74] Burbank and Glendale Comments at 33-34.

[75] *Id*. at 34.

[76] *Id*. at 38.

[77] *Id*. at 60.

[78] Ex. No. DWP-100 (Cohen) at 121:12-15.

subject to FERC jurisdiction.[79] The General Manager will continue to monitor the operational realities of its system, which may, at some point in time, dictate a shift to 12 CP in the future.

The General Manager specifically finds that it is not appropriate to utilize 1 CP. LADWP does not plan its system based on one peak month, but based on diverse system stresses throughout the year, as described above. The use of an annual peak rate divisor would not reflect these operational realities. To the extent that the screens indicate that LADWP experiences a peak summer season, this would support the use of a seasonal divisor rather than an annual divisor, *even if* LADWP's system planning was solely based on planning for peak load, rather than the totality of the operational factors identified above.

The General Manager further incorporates the rate adjustments discussed in Part V(T), below.

C. Revenue Credits for Transmission and Ancillary Service Costs Used to Deliver Energy to and from Castaic

1. LADWP

LADWP does not address this issue directly in its April 1 Proposal. However, in discovery, LADWP explained that it includes the Castaic generation within its portfolio of aggregated resources.[80] Further, Castaic is within the LASYSTEM and, therefore, is not named as a point of receipt or point of delivery that may be designated for point-to-point service.[81] In addition, LADWP has determined that the generation and capabilities of the Castaic generation are used to most economically meet LADWP's Native Load Customers' needs, while also providing ancillary services to the LADWP Balancing Authority Area.[82]

2. Comments Received

In their comments, Burbank and Glendale claim that LADWP's proposed Tariff rates are not just and reasonable because they do not include revenue credits for all the transmission and ancillary services LADWP uses when it makes off-system sales and when it delivers energy to and from Castaic.[83] As they explain, FERC precedent and LADWP's Tariff both require that transmission providers request, reserve, use and pay for point-to-point transmission and ancillary services when it makes off-system sales, and does not permit a transmission provider to use

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[79] *See, e.g.*, *NV Energy, Inc.*, 149 FERC ¶ 63,012 at P 37 (2014) (calculating settlement rates based on 4 CP); *Troutman Sanders LLP*, 150 FERC ¶ 61,006 at P 8 (2015) (approving NV Energy settlement); *Ariz. Pub. Serv., Co*., Offer of Settlement and Settlement Agreement, Exhibit A at Formula Rate, Attachment H-1, p.4, lines 156-57, Docket No. ER07-1142-000 (filed May 29, 2008) (utilizing 4 CP); *Ariz. Pub. Serv., Co*.,124 FERC ¶ 61,088 (2008) (conditionally approving Arizona Public Service Co. settlement); *Commonwealth Edison Co.*, 15 FERC ¶ 63,048 at p. 65,195 (1981) (adopting 4 CP); *La. Power & Light Co.*, Opinion No. 110, 14 FERC ¶ 61,075, at p. 61,219 (adopting 4 CP), *reh'g denied*, Opinion No. 110-A, 15 FERC ¶ 61,297 (1981).

[80] LADWP Response to BG-09-178(d).

[81] LADWP Response to BG-09-176(a).

[82] LADWP Response to BG-09- 178(b)(i); *see also Privileged* Attachment 1 of 1 to BG-02-70.

[83] Burbank and Glendale Comments at 78.

network service to make off-system sales. When a transmission provider uses such services, it must impute "payments" for the transmission and ancillary services used as the payor and payee, and treat these imputed payments as revenue credits against the revenue requirement in the COSS used to establish transmission provider's transmission and ancillary services rates.[84]

Burbank and Glendale state that LADWP's use of its own network transmission service to transmit any energy produced by the generators within the designated LASYSTEM area (such as Castaic) to the border of the LASYSTEM using network transmission service, is not permitted under Commission precedent.[85] Burbank and Glendale, therefore, protest LADWP's alleged failure to request, reserve, use, and pay for all transmission and ancillary services when it delivers energy to and from Castaic.[86] Instead, Burbank and Glendale argue that LADWP's revenue requirements used to calculate its transmission and ancillary services rates in the COSS (Exhibit No. DWP-101) should include a revenue credit to account for all the transmission and ancillary services LADWP actually uses to deliver energy to and from Castaic. Burbank and Glendale assert that LADWP's failure to account for its use of transmission and ancillary services for off-system sales and when it delivers energy to and from Castaic results in LADWP overstating its costs for these tariff services, making the resulting rates unjust and unreasonable.[87]

Burbank and Glendale go further to discuss the impact on wholesale customers. Burbank and Glendale note that the cost of the Castaic segment of transmission is allocated to LADWP Transmission System Firm Load, including wholesale customers, and LADWP's proposed Tariff rates do not provide a revenue credit for an imputed payment by LADWP for transmission and ancillary services used to deliver Castaic generation to its retail customers or for the point-to-point transmission and ancillary services for exports from the LASYSTEM to an off-system load.[88] Therefore, the rates overstate the transmission costs that Tariff Customers are required to pay. In addition, Burbank and Glendale claim that this failure to provide a revenue credit for transmission and ancillary services for point to point service for Castaic output does not align with the principle of cost causation, arguing that Tariff Customers are subsidizing the cost of transmission LADWP uses when it delivers energy to and from Castaic, and are allocated transmission and ancillary services that LADWP incurs for delivery of energy to and from Castaic.[89] Because LADWP does not impute payments for its use of transmission and ancillary services to deliver energy to and from Castaic, LADWP's COSS does not include a revenue credit that accounts for LADWP's use of these transmission and ancillary services, overstating

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[84] *Id.* at 78.

[85] *Id.* at 79.

[86] *Id.* at 80.

[87] *Id.* Burbank and Glendale also argue that LADWP's failure to pay for all the transmission and ancillary services it uses to deliver energy to and from Castaic causes its proposed Tariff rates to be unjust, unreasonable, and unduly discriminatory. *Id.* at 105.

[88] *Id.* at 111.

[89] *Id.* at 113 (citing T*ransmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 578 (2012) and *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, 136 FERC ¶ 61,051 at P 487 (2011) (associating benefits-based cost allocation with more just and reasonable rates)).

LADWP's costs and associated rates for these services. Burbank and Glendale claim that the resulting rates are not just and reasonable, as the rates violate the principle of cost causation and compel Tariff Customers to subsidize LADWP's use of these Castaic related transmission and ancillary services.[90]

3. General Manager's Decision

The General Manager finds that Castaic is physically located within the Point of Delivery and Point of Receipt referred to as LASYS. This is a single scheduling point within the LADWP transmission system. Energy is scheduled to or from the scheduling point. LADWP properly schedules energy from the LASYS Point of Receipt on point-to-point transmission and delivers energy to a LASYS Point of Delivery that is intended for load service utilizing network transmission. The Cities describe a transmission system utilization that is not consistent with the manner in which LADWP utilizes its transmission system and makes its transmission system available for use by third parties. LADWP treats all transmission customers equally, applying the same standards as it does for the Wholesale Energy Resource Management ("WERM") when involved in off-system transactions. Further, all revenues generated from short-term transmission transactions are credited across the board, benefiting all customers, including WERM, who seek short-term transmission services. LADWP permits transmission customers to autonomously provide ancillary services, excluding Schedules 1 and 2, to facilitate their transmission transactions. Consequently, Transmission Customers opting for self-supplied ancillary services are responsible for obtaining and maintaining such services to support their transactions. In this regard, LADWP refrains from imposing charges or penalties on customers who choose to self-supply ancillary services, and the same policy extends to WERM. Contrary to Burbank and Glendale's claims, WERM procures transmission services in alignment with LADWP's established transmission paths whenever Castaic is employed for off-sale system transactions. Therefore, the General Manager finds that LADWP has supported the inclusion of the Castaic facility within its portfolio of resources and that the rates proposed accurately include the generation and sales from the Castaic facility. The General Manager does not agree that LADWP should be required to provide any revenue credit for transmission service for revenues from this facility.

The General Manager further incorporates the rate adjustments discussed in Part V(T), below.

D. ROE and Capital Structure

1. LADWP Proposal

In conjunction with LADWP's COSS, LADWP retained Larry W. Riegle of Guidehouse, Inc. to develop an overall rate of return ("ROR") to be utilized by LADWP.[91] LADWP's proposed return on equity ("ROE") was determined using a multi-model approach,[92] conducted

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[90] *Id.* at 114.

[91] Direct Testimony in Support of Rate of Return ("Riegle Testimony"), Exh. No. DWP-200 at 2.

[92] *Id.* FERC's methodology has evolved over the years to a multi-model methodology utilized by FERC in 2020. Under Opinion No. 569-A, FERC now requires that three models should be used to determine base ROE – the two-

by Mr. Riegle, consistent with FERC's guidance in Opinion No. 569-A and subsequent FERC precedent.[93] LADWP's study period for this analysis ran from January 1, 2021 through June 30, 2021.[94] Mr. Riegle identified the Value Line utilities with the highest credit ratings to compose a proxy group, screened the utilities for mergers and acquisitions ("M&A") activity and outliers, and utilized the resulting proxy group to develop a range of reasonable returns under the applicable analyses.[95] Mr. Riegle explained that it was necessary to include utilities rated more than one notch below LADWP's high Aa2/AA- credit rating in order to achieve a proxy group of sufficient representative size in order to perform the DCF and CAPM analysis. As noted in the testimony, there were no utilities rated one notch below LADWP, and there would therefore be no utilities in the proxy group.[96] However, as Mr. Riegle explains, he limited the proxy group to only Value Line utilities within the risk band screen in order to obtain a proxy group of the most risk-comparable utilities to LADWP.[97]

In accordance with FERC guidance, Mr. Riegle developed an average of the results of the three methodologies, to reach a range of reasonableness between 8.37% and 12.94%.[98] LADWP conservatively proposed to set its ROE below the median of the range of reasonableness, at 9.89%, in consideration of LADWP's good credit rating.[99] LADWP therefore proposed an overall ROR of 5.65%,[100] based on LADWP's actual capital structure: a 62.98% long-term debt component and a 37.02% common equity component.[101]

2. Comments Received

(a) Burbank and Glendale

Burbank and Glendale submit comments to object to LADWP's proposed ROE and Capital structure, claiming that LADWP' proposed Tariff rates are unjust, unreasonable, and unduly discriminatory because they are based on an overstated ROE and an erroneous capital

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step discounted cash flow ("DCF") methodology; the capital asset pricing model ("CAPM"); and the risk premium methodology. *Ass'n of Bus. Advocating Tariff Equity Coalition of MISO Transmission Customers v. Midcontinent Indep. Sys. Operator, Inc*., Opinion No. 569-A, 171 FERC ¶ 61,154 ("Opinion No. 569-A"), *order on reh'g*, Opinion No. 569-B, 173 FERC ¶ 61,159 (2020) ("Opinion No. 569-B"), *rev'd in part and dismissed in part sub nom. MISO Transmission Owners v. FERC*, 45 F.4th 248 (D.C. Cir. 2022).

[93] Riegle Testimony, Ex. No. DWP-200 at 5-6 (citing *Entergy Ark., Inc.*, Opinion No. 575, 175 FERC ¶ 61,136 (2021)).

[94] Riegle Testimony, Ex. No. DWP-200 at 16.

[95] *Id.* at 7-13.

[96] *Id.* at 9-10.

[97] *Id.* at 10.

[98] *Id.* at 25; Ex. No. DWP-201 at 9.

[99] Riegle Testimony, Ex. No. DWP-200 at 25-26.

[100] Riegle Testimony, Ex. No. DWP-200 at 28; Ex. No. DWP-201 at 10.

[101] Riegle Testimony, Ex. No. DWP-200 at 28.

structure that fails to comport with FERC's directives.[102] Burbank and Glendale provide a variety of arguments to support these claims.

First, Burbank and Glendale argue that LADWP's ROE analysis does not use data from the most recent six-month period applicable to the publication of its April 1, 2022 ROE analysis.[103] Therefore, LADWP's ROE analysis does not use the most recent data available to the investment community. LADWP uses the period "January 1, 2021 through June 30, 2021"[104] for its six-month study period, instead of using the most recent six-month period before its April 1, 2022 publication of its ROE analysis.[105] Burbank and Glendale therefore claim that LADWP should have used the study period of September 1, 2021 through February 28, 2022.[106] Because LADWP did not use this more recent study period, Burbank and Glendale argue that the selection of the proxy group, the DCF analysis results, the CAPM analysis and the Risk Premium results are inaccurate and inapplicable, and that the entire ROE analysis should not be used.[107]

Second, Burbank and Glendale protest the composition of LADWP's ROE proxy group as inconsistent with FERC's "one notch" rule and its other related directives.[108] Burbank and Glendale note that LADWP includes companies that are not rated within *one notch* of LADWP by both Standard and Poor's ("S&P") and Moody's, in fact, all of the companies in LADWP's ROE proxy group have a credit rating that is four or more notches below LADWP's credit rating, making them far beyond the one notch screening criterion.[109] Therefore, LADWP's construction of its "proxy group" does not comply with Opinion Nos. 569 and 569-A and deviates from FERC's policy.[110] Among other issues, Burbank and Glendale reiterate that LADWP did not use the credit ratings from September 1, 2021 through February 28, 2022 for the companies in the proxy group.[111] In addition, LADWP ignores FERC's directives in Opinion No. 569, requiring the use of "*both* Standard and Poor's corporate credit ratings and Moody's issuer ratings when both are available."[112] Although LADWP has acknowledged FERC's requirement to use companies in the proxy group "with a credit rating no more than one notch above or one notch

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[102] *Id.* at 132.

[103] *Id.* at 149.

[104] *Id.* at 16:15-16.

[105] Burbank and Glendale Comments at 149.

[106] *Id.*

[107] *Id.*

[108] *Id.* at 150.

[109] *Id.* at 150-53.

[110] *Id.* at 150 (citing Ex. No. BWP/GWP-100 at 111-15 (Peters' Testimony)). *See also Ass'n of Bus. Advocating Tariff Equity, et al. v. Midcontinent Indep. Sys. Operator, Inc., et al.*, Opinion No. 569, 169 FERC ¶ 61,129 (2019) ("Opinion No. 569"), *order on reh'g in part*, Opinion No. 569-A, 171 FERC ¶ 61,154, *order on reh'g*, Opinion No. 569-B, 173 FERC ¶ 61,159, *rev'd in part and vacated in part sub nom. MISO Transmission Owners v. FERC*, 45 F.4th 248.

[111] Burbank and Glendale Comments at 150; Ex. No. BWP/GWP-100 at 115-16 (Peters' Testimony).

[112] Opinion No. 569, 169 FERC ¶ 61,129 at P 365 n.748.

below the utility whose rate is at issue,"[113] LADWP proposes to include 12 companies in its ROE proxy group that have credit ratings that are four and five notches below LADWP's credit rating for the DCF and CAPM analyses, and even lower for the Risk Premium analysis.[114] Burbank and Glendale object to LADWP's proposal to include these companies outside of the "one notch" rule.

Burbank and Glendale also argue that LADWP's analysis of the ROE proxy group's merger and acquisitions activities contravenes FERC's finding that Avangrid is a controlled company that should be excluded from this analysis. FERC has directed entities to exclude controlled companies from their ROE proxy groups.[115] However, LADWP has not followed this FERC guidance, which has inappropriately biased the dataset toward overstating LADWP's cost of equity, making its ROE inaccurate.[116]

In addition, Burbank and Glendale posit that LADWP overstates its cost of equity by failing to use FERC-mandated data sources in its DCF analysis.[117] Per the Cities' comments: LADWP's use of the wrong datasets for the Institutional Brokers' Estimate System earnings growth forecast data, an outdated U.S. Energy Information Administration forecast of long-term gross domestic product ("GDP") growth, and an outdated forecast of long-term GDP growth from the Social Security Administration's Old-Age, Survivors, and Disability Insurance Program, coupled with its use of an undocumented OMB long-term forecast instead of FERC mandated, long-term forecast prepared by IHS Markit (formerly IHS Global Insight), causes the entire DCF analysis to be erroneous and unusable.[118] Further, Burbank and Glendale argue that LADWP's CAPM uses: (1) inaccurate betas; (2) the wrong market capitalization values to determine the size premium, (3) the wrong size premiums data source and the wrong size premiums; (4) incorrect earnings growth rates; and (5) the wrong dividend yield for the S&P.[119] Therefore, the Cities conclude LADWP's market risk premium is not supportable.[120]

Burbank and Glendale also argue that LADWP's Risk Premium analysis is inapplicable to LADWP and contains ROE observations that do not meet FERC's criteria.[121] In addition to using the wrong study period, Burbank and Glendale claim that LADWP's Moody's Aa2 credit

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[113] Riegle Testimony, Ex. No. DWP-200 at 7:19-21.

[114] Burbank and Glendale Comments at 152.

[115] *Constellation Mystic Power, LLC*, 176 FERC ¶ 61,019 at PP 156-57 (2021) (finding that its status as a controlled company continues to have an "effect on Avangrid's ROE model inputs [that is] significant and comparable to that of M&A activity"), *reh'g denied*, 176 FERC ¶ 61,019, *order set aside in part*, 177 FERC ¶ 61,106 (2021), *reh'g denied*, 178 FERC ¶ 62,028, *as modified*, 178 FERC ¶ 61,116 (2022).

[116] Burbank and Glendale Comments at 154-55.

[117] *Id.* at 156-60.

[118] *Portland Nat. Gas Transmission Sys.*, 137 FERC ¶ 63,018 at PP 121-28 (2011), *aff'd in relevant part*, Opinion No. 524, 142 FERC ¶ 61,197 at PP 317-20 (2013).

[119] Burbank and Glendale Comments at 160.

[120] *Id.*

[121] *Id.* at 163.

rating is so much higher than the Baa credit rating of the companies used in this analysis.[122] They claim that LADWP's Risk Premium is also defective because it improperly includes ROE observations that do not meet the Commission's screening criteria, and therefore should be excluded.[123]

Burbank and Glendale additionally object to LADWP's Risk Premium analysis because it does not conform with the D.C. Circuit's decision in *MISO Transmission Owners v. FERC*.[124] Burbank and Glendale state that LADWP's reliance on ROEs approved by other major California IOUs to support its proposed ROE is invalid as these ROEs are the result of "black box" settlements that "contain multiple trade-offs" that are inapplicable to LADWP and "do not serve as benchmarks or validation checks for any specific wholesale ROE for LADWP."[125] Further, LADWP's reliance on the Dominant Transmission Provider Approach to support its proposed ROE is inappropriate because the company at issue does not have any credit rating from Moody's or S&P, the case was resolved in a settlement, the company at issue obtains its entire debt financing from the U.S. Department of Agriculture, and has members that contribute 'patronage capital' who are entitled to dividends or distributions.[126]

Burbank and Glendale argue that LADWP's proposed ROE is flawed because it relies on a proposed Capital Structure that is not cost-based.[127] However, if LADWP were permitted to retain the hypothetical capital structure approach, Burbank and Glendale suggests several modifications.[128]

Finally, Burbank and Glendale do not agree that LADWP's risk profile supports a specific cost of capital, as LADWP does not provide sufficient evidence to support wildfire risk or other risks. Therefore, Burbank and Glendale propose that LADWP's proposed ROE be totally redone as required by the *MISO Transmission Owners v. FERC* decision,[129] and all errors and omissions must be corrected.

(b) PowerEx

PowerEx asserts that: "LADWP has developed and maintained its transmission system to serve the needs of its ratepayers, and it has an obligation to do so."[130] According to PowerEx, LADWP has presented no evidence that it is selectively putting its capital at risk, and LADWP has not demonstrated how or why equity holders (LADWP itself) "demand compensation for

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[122] *Id.* at 164.

[123] *Id.* at 165.

[124] *MISO Transmission Owners v. FERC*, 45 F.4th 248.

[125] Burbank and Glendale Comments at 166 (citing Ex. No. BWP/GWP-100 at 136 (Peters' Testimony)).

[126] *Id.* at 167. *See* Ex. No. BWP/GWP-100 at 136 (Peters' Testimony).

[127] Burbank and Glendale Comments at 168.

[128] *Id. See* Ex. No. BWP/GWP-100 at 140 (Peters' Testimony).

[129] Burbank and Glendale Comments at 170 (citing *MISO Transmission Owners v. FERC*, 45 F.4th 248).

[130] PowerEx Comments at 20.

taking the larger risk of such a high leverage."[131] As the Supreme Court explained, any ROE should reflect the need to attract capital, which LADWP has not adequately justified. In addition, the foregoing justifications fail to address the additive and upward rate pressures it applies to transmission customers, thus leading to overburdening that LADWP is purportedly trying to avoid. PowerEx believes that the increase in ROE has not been sufficiently justified and that LADWP has failed to explore mechanisms to mitigate rate shock.[132] PowerEx urges LADWP to reconsider the proposed ROE and evaluate other methods that would lower the impact or hold the ROE at current levels to minimize the overall rate increase."[133]

3. General Manager's Decision

The General Manager finds that LADWP should maintain the existing Capital Structure and ROE that was reviewed and accepted in formulating the 2017 tariff revisions. These components were subject to stakeholder review and City Council approval during that proceeding and should remain in place. None of the comments received in this stakeholder review provide a justification for modifying that approach.

Given the limited precedent available under FERC to determine an appropriate capital structure for non-jurisdictional entities, and FERC's preference for use of an actual capital structure if certain criteria are met (i.e., the utility issues its owner debt without guarantees, has its own bond rating, and has a capital structure within the range of structures approved by FERC), LADWP is unaware of cases in which FERC has addressed application of these principles to non-jurisdictional entities. LADWP is also unaware of any precedent on how to determine an "actual" capital structure for a non-jurisdictional utility that does not issue stock, like LADWP. However, LADWP does issue its own debt without guarantees, has its own bond rating, and has a capital structure with the range of capital structures approved by FERC, and thus nominally meets the test for the use of actual capital structures that has been utilized by FERC for jurisdictional utilities. Moreover, LADWP's proposed hypothetical capital structure is not dissimilar from its actual capital structure. Therefore, the General Manager determines that the existing approved capital structure should remain in place. This change has been reflected in Statement AV, which shows LADWP's cost of capital.

In addition, the return on equity approved in the 2017 OATT Stakeholder Process continues to be within the range of reasonableness evaluated by LADWP in this proceeding. Therefore, the General Manager finds that the ROE of 8.57% should remain in effect. The risk factors faced by LADWP, the proxy group included in the evaluation, and the capital structure employed by LADWP remain relatively unchanged. Therefore, the General Manager has determined that the ROE component of the LADWP OATT rates should not be adjusted here.

The chart below shows the change from the April 1 Proposal to the final determination here:

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[131] *Id.*

[132] *Id.*

[133] *Id.*

	As Filed 04/01/2022	Adjusted 07/06/2023
Weighted Average Cost of Capital (WACC)	5.65%	5.35%

The General Manager further incorporates the rate adjustments discussed in Part V(T), below.

E. Regulation and Frequency Response (RFR) Reserve Requirements for Schedules 3 and 10

1. LADWP Proposal

An ancillary service purchase obligation reflects the percentage of a customer's transmission reservation, monthly network load, or nameplate generation capacity that must be purchased or self-supplied, and is used to establish charges under Schedules 3, 5, 6, and 10 of the LADWP OATT. LADWP proposed in its April 1 Proposal to change the purchase obligations for Regulation and Frequency Response Service provided under Schedules 3 and 10 of the OATT. Specifically, LADWP proposed a purchase obligation of 2.256% for Schedule 3,[134] 14.272% for Schedule 10 (non-dispatchable generation), and 2.256% for Schedule 10 (dispatchable generation).[135] As an overview, the methodology LADWP employed to calculate the variable energy resource ("VER") regulation requirement is "a percentage of the total nameplate capacity for LADWP's system based on historical data from FY19/20."[136] As described by Mr. Abadi, Schedule 3 involves the amount of regulation reserves LADWP is required to hold to meet moment-to-moment deviations in total system demand. It was calculated as follows: the purchase obligation, expressed as a percentage of peak load, was kept constant from LADWP's 2017 COSS and a study completed by DNV-GL in January 2017, and was then adjusted by FY19/20 load data.[137] For Schedule 10, the amount of regulation reserves LADWP is required to hold is based on LADWP's Schedule 10 Regulation Service Study, Exhibit No. DWP-401.[138] LADWP's Schedule 10 Regulation Service Study identifies the contributors to the regulation and frequency response reserve requirement for VERs. To complete the overall analysis, these contributors will be disaggregated to specific sources of the uncertainty and classes of load. The overall analysis will ensure that all regulation and frequency reserve response requirements are being considered.

LADWP indicated that the revised purchase obligations were calculated based on a study of the deviations between hour-ahead load and variable resource schedules and actual metered

[134] Ex. No. DWP-100 at 150-51 (Cohen Testimony); April 1 Proposal, Appendix B at Statement BL.

[135] Ex. No. DWP-100 at 156-58 (Cohen Testimony); April 1 Proposal, Appendix B at Statement BL.

[136] Ex. No. DWP-100 at 4 (Cohen Testimony).

[137] Testimony of Mr. Ehud Abadi, Ex. No. DWP-400 at 3.

[138] *Id.* at 4; Regulation Study, Ex. No. DWP-401.

generation during the hour.[139] LADWP also provided a supporting study, "Reserve Requirements for FY19-20 VER Integration," prepared by Guidehouse, Inc. and supported by the Testimony of Mr. Abadi ("Regulation Study").[140] As explained in the Regulation Study, Guidehouse:

(1) Collected the expected (within-hour if possible) and actual generation data for all VERs on LADWP's system for the Test Period.
(2) Calculated minute-level deviations between expected and actual generation for the total solar and wind portfolios.
(3) Complete a five-step approach to statistically analyze the deviation from (2) to quantify the regulation reserve requirement due to variable energy resources.[141]

Because LADWP, under Schedule 3, provides Regulation and Frequency Response ("RFR") service to load located within its Balancing Authority Area ("BAA"), LADWP must establish the load's purchase obligations for this service and the rates that allow LADWP to recover the costs of regulation reserves associated with variability of load within its BAA. Under Schedule 10, LADWP provides RFR service to generation resources and recovers the costs of providing regulation reserves associated with the variability of generation resources from the generation resources, both when they are serving load within LADWP's BAA and when they export to load in other BAAs.

2. Comments Received

Burbank and Glendale submitted comments to oppose LADWP's proposed RFR reserve requirements for Schedules 3 and 10 as unjust, unreasonable, and unduly discriminatory. Burbank and Glendale argue that the calculations of these reserves is incorrect and excessive.[142] As discussed in their brief, Burbank and Glendale argue that: the methodology used to determine the RFR reserve requirements for VERs under Schedule 10 erroneously combined solar and wind resources into a single class without proper consideration of the operational realities of solar and wind and FERC precedent; did not calculate inter-class portfolio diversity of *all* loads and resources; did not calculate intra-class diversity for both dispatchable and non-dispatchable resources; set reserve requirements for VERs based on simulated, not actual, variability in output at individual plants; imported the purchase obligation from 2017 without any examination of one-minute load data from the FY19/20 Test Period for the reserves under Schedule 3; for Schedule 10, used the same purchase obligation that LADWP used for *loads* under Schedule 3 without considering one-minute data for dispatchable resources from the FY19/20 Test Period; failed to mitigate the impacts of increasing RFR reserve costs on transmission customers as mandated by FERC Order No. 764;[143] failed to conduct an adequate study to determine the

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[139] Ex. No. DWP-100 at 158 (Cohen Testimony); Ex. No. DWP-400 at 5-8.

[140] Regulation Study, Ex. No. DWP-401.

[141] *Id.* at 5.

[142] Burbank and Glendale Comments at 173-74.

[143] *Integration of Variable Energy Resources*, Order No. 764, FERC Stats. & Regs. ¶ 31,331 at P 322, *order on reh'g*, Order No. 764-A, 141 FERC ¶ 61,232 (2012), *order on clarification and reh'g,* Order No. 764-B, 144 FERC ¶ 61,222 (2013). Order No. 674 resulted from the *Integration of Variable Energy Resources Notice of Proposed*

different RFR burdens caused by different customer classes; and fails to comply with the directives in FERC Order No. 784.[144] Further, LADWP failed to adopt adequate intra-hour scheduling reforms and power production forecasting as mandated in Order No. 764.

Burbank and Glendale argue that LADWP did not analyze one-minute load data from the Test Period to develop the proposed Schedule 3 RFR reserve requirement.[145] They claim that, without analyzing the one-minute data from the Test Period, there is no way to know whether the relevant loads became more or less variable between the two Test Periods.[146] Further, LADWP itself does not know which change occurred, if any, because one-minute loads data in FY19/20 were inexplicably not considered in this update.[147] Burbank and Glendale argue that this is in violation of Order No. 764.[148]

Burbank and Glendale also identify a number of alleged errors in LADWP's analysis to calculate reserve requirements for Schedules 3 and 10.[149] They request that LADWP correct the errors in the methodology it uses to calculate RFR reserve requirements by modifying it to: (1) recognize four separate classes that require RFR service based on class-specific one-minute variability (i.e., loads, dispatchable resources, solar and wind), and not three as LADWP currently proposes; (2) calculate the system-wide aggregated need for RFR services that takes into account all intra-class and inter-class diversity; (3) rely only on class-specific one-minute Test Period data for all calculations in all classes; (4) use the one-minute characteristics of the dispatchable resource class to set reserves for that class, rather than assuming "equivalence" of the load and dispatchable resource classes as LADWP proposes; (5) set reserve requirements based on actual, not simulated, one-minute data in exactly the same manner and using exactly the same methodology for all four classes; and (6) establish measures under which it will mitigate the impacts of increasing RFR reserve costs on transmission.[150] LADWP should also adopt adequate intra-hour scheduling reforms and power production forecasting so that it is compliant with the Commission directives in Order No. 764.[151]

3. General Manager's Decision

The General Manager finds that LADWP has determined its RFR requirements in a manner that is consistent with FERC precedent under Order No. 764 and the implementing caselaw. Further, as described in the testimony and discovery responses of LADWP, its

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Rulemaking, FERC Stats. & Regs. ¶ 32,664 at P 106 (2010) and *Integration of Variable Energy Resources*, Notice of Inquiry, FERC Stats. & Regs. P 35,563 (2010).

[144] *Third-Party Provision of Ancillary Services; Accounting and Financial Reporting for New Electric Storage Technologies*, Order No. 784, FERC Stats. & Regs. ¶ 31,349 at PP 1, 111-12, 114 (2013).

[145] Burbank and Glendale Comments at 197; Ex. No. BWP/GWP-100 at 185 (Peters' Testimony).

[146] *See* Ex. No. BWP/GWP-100 at 183 (Peters' Testimony).

[147] *Id.*

[148] Burbank and Glendale Comments at 199.

[149] *Id.* at 205-06.

[150] *Id.* at 205.

[151] *Id.* at 205-06.

evaluation of these requirements was performed using the most reliable hourly data for the Test Period. LADWP's commitment to grid modernization and incorporation of advanced sensors for enhanced visibility into grid function will assist LADWP in the future in utilizing higher resolution data, specifically intra-hour data, to determine even more precise purchase obligations for these ancillary services in the future. This additional information will assist LADWP in honing the requirements for Schedule 3 and 10 services. Nonetheless, the April 1 Proposal for the purchase obligations under these ancillary services is based on most accurate and complete data available. Accordingly, the General Manager accepts the purchase obligation in the April 1 Proposal for variable energy under Schedule 10. However, the General Manager rejects the April 1 Proposal's purchase obligation under Schedule 3 and the purchase obligation for dispatchable resources under Schedule 10. Instead, the General Manager is recommending more limited purchase obligations under Schedules 3 and 10 to mitigate wholesale customers against significant changes in pricing.

The General Manager further incorporates the rate adjustments discussed in Part V(T), below.

F. Contingency Reserve Requirements for Schedules 5 and 6

1. LADWP Proposal

LADWP has proposed to maintain 600 MW of contingency reserves, split equally between spinning and non-spinning (supplemental) reserves in compliance with its requirements under NERC Reliability Requirements. As discussed in LADWP testimony, "[f]rom FY08/09 to FY19/20 LADWP's system has maintained an Operating Reserve Spinning Reserve capacity of 300 MW to comply with NERC's Most Severe Single Contingency (MSSC) requirement of 600 MW of which 50% or 300 MW is spinning reserve capacity."[152] In addition, LADWP has provided additional information through data requests to state that "LADWP operates its transmission system in a manner that normally ensures that LADWP's Most Severe Single Contingency is the loss of unit at Intermountain Power Plant, which is estimated to be 600 MW. As such, LADWP generally sets its reserve requirement to that amount, which LADWP divided equally between Schedules 5 and 6 in accordance with NERC requirements."[153]

2. Comments Received

Burbank and Glendale submitted comments to contest LADWP's Contingency Reserve obligations in Schedules 5 and 6, claiming that LADWP violates Commission precedent and discriminates against Tariff customers by overstating these reserve obligations, causing the rates for these schedules to be overstated.[154] Burbank and Glendale object to LADWP's proposed reserve obligation for these Schedules because the 600 MW requirement is greater than

[152] Ex. No. DWP-100 at 152:8-11 (Testimony of Cohen, Lucero, Washburn, Painter and Haddad).

[153] LADWP Response to BG-11-228.

[154] Burbank and Glendale Comments at 229.

LADWP's average reported Most Severe Single Contingency ("MSSC") in FY19/20,[155] which is not by any study or document from LADWP.[156]

While Burbank and Glendale acknowledge that compliance with NERC reliability requirements is important, they emphasize that setting just and reasonable rates is a separate matter, and claim that LADWP has provided no evidence of a connection between real-time operations during the Test Period and exactly 600 MW of contingency reserves.[157] Therefore, Burbank and Glendale request that LADWP correct the proposed reserve requirements for Schedules 5 and 6 by (1) amending its proposed requirement for contingency reserves in Schedules 5 and 6 to reflect the frequency distribution of actual required contingency reserves in the FY19/20 Test Period; and (2) recalculating its proposed rates for these Schedules.[158]

3. General Manager's Decision

The General Manager finds that LADWP has accurately represented within the April 1 Proposal the costs associated with maintaining the reserves for Schedules 5 and 6 to maintain system reliability and facilitate OATT transactions. Because LADWP does not impute contingency reserve capacities; instead relying on historical capacity service usage, the methodology employed to evaluate these reserves is accurate for purposes of determining the level of reserves required under these ancillary service schedules. In addition, LADWP periodically conducts analyses on its reserve requirements for comparative purposes, ensuring that historical reserve capacity remains adequate to meet near-term (2-3 years) reserve needs. Therefore, LADWP has current knowledge and historical verification of the reserves required for these services. The General Manager concludes that the April 1 Proposal to include 600 MW of contingency reserves, split equally between spinning and non-spinning (supplemental) reserves, is justified.

The General Manager further incorporates the rate adjustments discussed in Part V(T), below.

G. Methodology Used to Calculate Schedules 3, 5, 6 and 10—Binary vs. "Units Most Likely"

1. LADWP Proposal

LADWP follows NERC standards that identify the quantity of reserves to be carried. NERC standards do not dictate the method by which LADWP calculates which generators contribute to the Operating Reserves.[159] The NERC Resource and Demand Balancing standards discuss reserve requirements.[160] The rationale for LADWP's proposed ancillary service

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[155] Ex. No. BWP/GWP-300 at 8, 50 (Eveland/Wenzinger Testimony).

[156] Burbank and Glendale Comments at 229, 233.

[157] *Id.* at 235.

[158] *Id.* at 237.

[159] Response to IR 432(a).

[160] *Id*.

regulation rates for Schedules 3, 5, 6, and 10 are explained in the testimony of Ehud Abadi, Exhibit No. DWP-400, and in the group testimony, Exhibit No. DWP-100.

2. Comments Received

The Cities assert that LADWP's binary methodology is overly simplistic. The critique scrutinizes LADWP's assumption of the straightforward availability of every megawatt of nameplate capacity throughout FY 2019/2020, contending that this approach fails to account for nuances in power generation. By overlooking factors such as station service and auxiliary loads, planned and forced outages, and actual hourly production of energy for retail and off-system sales, the Cities argue that LADWP's methodology results in a significant overstatement of generation costs.

Delving into the specifics of the binary approach, the Cities highlight LADWP's omission of critical factors, including variations in scheduled energy loads, scheduled reserves, ramp rates, ramp limits, outages, and a unit's capacity to respond to multiple contingencies simultaneously. The Cities contend that these omissions lead to a fundamental violation of the principle of cost causation and established Commission precedent.

The Cities introduce FERC's "units most likely" methodology as the proper alternative model, emphasizing its acceptance and prevalence in determining units providing or likely to provide ancillary services. Departing from this widely accepted methodology, the Cities argue, amounts to a violation of FPA section 212 and runs counter to comparability provisions in FPA section 211A. Aligning with FERC's methodologies is presented as the primary solution to resolve the alleged deficiencies in LADWP's approach.

The Cities criticize LADWP's alleged neglect of known and documented seasonal variations in the rated capacity of generators using the Apex power plant as an example. The example of the Apex power plant highlights how LADWP's methodology overlooks the reduced capacity in summer due to ambient conditions, leading to an overstatement of rates for ancillary services. By highlighting the nameplate capacity of generators without adjusting for seasonal differences, LADWP's proposed rates are accused of being overstated, thereby violating the principle of cost causation and other established Commission precedents.

The Cities' scrutiny also includes LADWP's inclusion of specific generators, including Gorge, San Francisquito, Foothill, and Intermountain Power Plant ("IPP") in the proposed rates, underlining a lack of evidence from LADWP to substantiate their claim that these units provided ancillary services during the Test Period. The Cities argue that the binary approach fails to ensure that the units included in the rates actually contributed to ancillary services, compromising transparency and reliability in the rate-setting process.

Furthermore, the Cities contend that LADWP's binary approach erroneously double-counts generation capacity available for reserve services. They argue that this error could cause Tariff Customers to pay the same generation costs multiple times, leading to unjust and unreasonable rates.

The Cities further emphasize the inadequacy of LADWP's binary approach in accounting for variations in capacity factors and fixed and variable costs across different types of generators. The critique suggests that this oversight results in an unjust and unreasonable cost of reserves,

violating Commission precedent and disregarding the operational realities of LADWP's generators.

The Cities further highlight LADWP's refusal to calculate the capability each resource contributed toward the spinning reserve requirement, both in the Test Period and currently. This refusal is presented as a violation of established precedent, and the Cities argue that LADWP's failure to calculate this capability undermines the accuracy and fairness of the proposed rates.

In response to LADWP's admission that it did not use the "units most likely" methodology and considered it inapplicable, the Cities provide a detailed counterargument. They assert that LADWP's binary approach erroneously charges wholesale Tariff Customers for generation capacity that is not available to provide wholesale reserves, thus disproportionately benefiting LADWP's retail customers.

To address the identified shortcomings, the Cities recommend that LADWP adopts FERC's accepted methodologies for allocating and assigning costs to Schedules 3, 5, 6, and 10. They stress the importance of aligning with the widely accepted "units most likely" methodology and related FERC directives. The Cities contend that adopting these methodologies is crucial to preventing the potential overstatement of ancillary services' costs, ensuring accuracy in cost allocation, and upholding the principle of cost causation.

3. General Manager's Decision

The General Manager finds that LADWP has accurately represented with the April 1 Proposal the costs associated with maintaining the capacity of the generators available to support Schedules 5 and 6 (reserves) and Schedules 3 and 10 (regulation services). LADWP is relying on the ability of a generating resource to support Schedules 5 and 6 (reserves) and Schedules 3 and 10 (regulation services), evaluated each of its generating resources for the Test Period, and provided those results in its cost-of-service model. The General Manager concludes that establishing the reserves based on the ability of the generating resources to provide Schedules 5 and 6 (reserves) and Schedules 3 and 10 (regulation services) and applying the standard across each of its generating resources, is justified and that the COSS Model accurately reflected the costs of providing these services.

The General Manager further incorporates the rate adjustments discussed in Part V(T), below.

H. Allocating Generating Facility Costs for Ancillary Services

1. LADWP Proposal

Witness Ehud Ben Abadi, in Exhibit No. DWP-400, describes the methodology employed to calculate the revenue requirement for Schedules 3 and 10, and Ehud Ben Abadi's work was incorporated into the COSS as described in the testimony of witness David B. Cohen *et al.*, DWP-100.

2. Comments Received

The Cities criticize LADWP's inclusion of costs from generators that lack Automatic Generation Control ("AGC") capabilities in the revenue requirements for Schedules 3 and 10. Specifically, the Foothill plant, Owens Gorge units, and San Francisquito units are identified as lacking AGC capabilities, challenging LADWP's depiction and inclusion in the revenue requirements for these schedules.

The Cities argue that this inclusion results in an overstatement of LADWP's costs and rates for Schedules 3 and 10. Such overstatements are argued to violate the principle of cost causation and, consequently, FPA sections 212 and 211A. The Cities request that LADWP rectify this error by removing the costs of these facilities from the revenue requirements for Schedules 3 and 10. The proposed correction involves re-running the COSS for these ancillary services to reflect these amendments and recalculating the rates for Schedules 3 and 10.

3. General Manager's Decision

The General Manager finds that LADWP has properly included the Foothill plant, Owens Gorge units, and San Francisquito units in the revenue requirements for Schedules 3 and 10. All LADWP generating facilities undergo continuous assessments to evaluate their contributions to ancillary services on the grid. Consequently, based on current practices and historical performance, LADWP has determined that all facilities listed in the "Generating Capabilities" list are deemed sufficient for providing ancillary services under Schedules 3, 5, 6, and 10, ensuring the maintenance of system reliability. Accordingly, the General Manager finds that LADWP is justified in including the Foothill plant, Owens Gorge units, and San Francisquito units in the revenue requirements for Schedules 3 and 10.

The General Manager further incorporates the rate adjustments discussed in Part V(T), below.

I. Excluding Variable Costs From the Calculation of Revenue Requirements.

1. LADWP Proposal

> OATT rate Schedules 3, 5, 6, and 10 will only recover fixed costs; [t]he variable costs of Purchased Power (energy) *are not part* of the FY19/20 Production Revenue Requirement for establishing these Schedules.[161] LADWP's General Ledger combines variable and fixed costs for purchased power, so LADWP's practice is to separate fixed and variable costs for purchased power when calculating OATT rates.
>
> LADWP uses FERC Account 555 Purchased Power to exclude variable and fuel expenses for certain facilities.[162] All costs contained in FERC 555 Purchased Power are supported by underlying documents and schedules that would identify variable and fuel expenses.[163]

[161] *See* Ex. No. DWP-100 at 20:13-15.

[162] *See* Response (a) to IR No. 445.

[163] *See id.*

2. Comments Received

The Cities argue LADWP errs by excluding some but not all variable costs in the calculation of the revenue requirements, in violation of FERC's requirement that *all* variable costs be excluded and *only fixed costs* be included.

The Cities argue that LADWP's efforts to exclude variable costs from the revenue requirements for Schedules 3, 5, 6, and 10 fall short of regulatory obligations. Specifically, the Cities provide concrete examples—IPP, Apex generating station, and LADWP's General Ledger system—where variable costs are allegedly included improperly.

For IPP, the Cities' critique challenges LADWP's portrayal of "IPP Minimum Costs," asserting that the description of these costs as fixed, excluding variable and fuel expenses, is inaccurate. The critique delves into discrepancies in contractual obligations to the Intermountain Power Agency ("IPA"), the owner of IPP, arguing that IPA's accounting system doesn't follow FERC standards, leading to the inclusion of variable Operation and Maintenance ("O&M") costs in violation of FERC precedent. This analysis extends to the Apex generating station, mirroring concerns raised about IPP, and emphasizes challenges in complying with FERC standards regarding fuel transportation costs due to potential secondary market sales.

The critique further questions LADWP's ability to effectively separate fixed and variable costs within its General Ledger system, particularly for entries related to IPP and the Southern California Public Power Authority ("SCPPA"). It questions the accuracy of the proposed rates, emphasizing the lack of clarity in cost subdivision beyond fuel expenses in Exhibit No. DWP-101.

In response to LADWP's reference to FERC Account 555 as a mechanism ensuring the exclusion of variable expenses, the Cities point out that supporting documents and schedules were not provided, making it challenging to verify the accuracy of the exclusion of variable costs.

The overarching argument contends that LADWP's failure to exclude variable costs results in an overstatement of rates for Schedules 3, 5, 6, and 10, going against the principles of cost causation and Commission precedents. This perceived fundamental flaw prompts the Cities to call for the removal of inappropriate variable costs from the revenue requirements for these schedules.

3. General Manager's Decision

The General Manager finds that the revenue requirements for Schedules 3, 5, 6, and 10 properly exclude variable costs. In general, the proposed rates for Schedules 3, 5, 6, and 10 reflect the expenses incurred by LADWP in delivering the relevant ancillary services and align with established rate-making principles. However, these conventional methodologies notwithstanding, the General Manager is recommending strategically reduced rate modifications for Schedules 3, 5, 6, and 10, even though more robust rate increases, such as those in the April 1 Proposal, are fully supported by the facts and the law. Such rate moderation offers wholesale customers greater stability and security in their pricing arrangements.

Furthermore, the entry "FERC 555 Purchased Power" in Statement AH of Exhibit No. DWP-101 properly includes only fixed costs in the revenue requirement and excludes variable

and fuel expenses. A breakdown of FERC 555 among purchased power, purchased transmission, OATT and Non-OATT components was provided in BG-07-135 Attachment 1.[164] Furthermore, the audited financial statements confirm that IPA's accounting system is consistent with FERC's Uniform System of Accounts. Therefore, the General Manager concludes that LADWP correctly excluded variable costs from the calculation of revenue requirements for ancillary services provided pursuant to Schedules 3, 5, 6, and 10.

The General Manager further incorporates the rate adjustments discussed in Part V(T), below.

J. Schedule 2 Revenue Credits

1. LADWP Proposal

Revenue credits reduce the Cost of Service and related revenue requirements and the resulting transmission and ancillary services rates.[165] Revenue credits for the FY19/20 period were based on information provided by LADWP for Schedule 2 (Reactive Supply & Voltage Control from Generation Sources Service), Schedule 3 (Regulation and Frequency Response Service), Schedule 5 (Operating Reserve – Spinning Reserve Service), Schedule 6 (Operating Reserve – Supplemental Reserve Service), and Schedule 10 (Generator Regulation and Frequency Response Service), among others.[166]

2. Comments Received

The Cities assert that LADWP's proposed ancillary services rates are flawed because they do not incorporate revenue credits from Schedule 2 services in the calculation of rates for Schedules 3, 5, 6, and 10. LADWP operates several resources providing Reactive Supply and Voltage Control under Schedule 2, as well as reserves under the aforementioned schedules.

While LADWP's revenue requirements include revenue credits for various activities, there is no corresponding revenue credit for Schedule 2 services in the revenue requirements for Schedules 3, 5, 6, and 10. The Cities' argument posits that this omission leads to an overstatement of the revenue requirements and associated rates for these schedules.

The critique contends that LADWP's proposed rates for Schedules 3, 5, 6, and 10 are thus unjust, unreasonable, and unduly discriminatory because they violate the principle of cost causation and relevant Commission precedent. To rectify this alleged flaw, the critique calls for LADWP to amend the revenue requirements for these schedules, incorporating the necessary revenue credit for Schedule 2 transactions.

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[164] As discussed in Part V(T)(2), LADWP will adjust the amount included for the IPP Operation Expense to correct an error.

[165] *See* Ex. No. DWP-100 at 21.

[166] *See id*. at 108-09.

3. General Manager's Decision

The General Manager has determined that LADWP did not improperly exclude revenue credits from the provision of Schedule 2 services in the calculation of rates from Schedules 3, 5, 6, and 10.

Each generating unit has the capacity to offer a variety of ancillary services, with each service relying on specific equipment and facilities within the unit. For example, Reactive Power services employ the generating unit's exciters, transformers, and occasionally STATCOM facilities. In contrast, Regulation services utilize the generator's turndown capability, automatic generator control system, and the available headroom on the generating unit. Although these services originate from the same units, each service employs independent and distinct facilities. In addition, it is important to note that LADWP adheres to a standard practice where the average system costs associated with providing each ancillary service are uniformly evaluated and applied to all customers.

In light of the above, the General Manager concludes that the proposed rates for Schedules 3, 5, 6, and 10 are justified and in accordance with established practices, and no amendment to the revenue requirements for these schedules, incorporating revenue credits for Schedule 2 transactions, is deemed necessary.

The General Manager further incorporates the rate adjustments discussed in Part V(T), below.

K. Converting the Annual Revenue Requirements for Ancillary Services to Effective Rates

1. LADWP Proposal

Witnesses David Cohen *et al.*, in Exhibit No. DWP-100, describes the methodology employed to calculate LADWP's annual revenue requirements for each ancillary service during the Test Period.[167]

2. Comments Received

The Cities allege several errors in LADWP's proposed rates for Schedules 3, 5, 6, and 10 related to the conversion of Ancillary Reserve Requirements ("ARRs") into Effective Rates. Four main errors are outlined:

1. **Denominator Errors:** LADWP uses 12 CP instead of the correct 1 CP in rate calculations for several schedules, resulting in lower-than-accurate denominators.
2. **Numerator Errors:** The critique argues that the numerators for ancillary service reserve obligations are overstated, leading to inaccuracies in rate calculations.
3. **Dispatchable and Renewable Denominator Errors:** For Schedules 5, 6, and 10 (dispatchable), the use of load measures instead of resource measures is considered a

[167] Refer to Exhibit No. DWP-100 beginning at page 129.

conceptual flaw that violates the principle of cost causation. For Schedule 10 (solar and wind), combining solar and wind resources and omitting certain VERs is seen as an error.

4. **Mismatch of Resource and Load Measures:** The critique emphasizes that using load measures for Schedules 5, 6, and 10 is conceptually flawed since these reserves are driven by resource characteristics, not loads.

These alleged errors, both in the numerator and denominator, purportedly lead to significantly overstated rates for Schedules 3, 5, 6, and 10. The Cities request LADWP to correct these errors by amending the reserve obligations and recalculating the rates, postulating that such corrections would result in a significant reduction in rates for these schedules.

3. General Manager's Decision

The General Manager incorporates the decisions made in Part V(B)(3) regarding the rate divisor, the rate adjustments discussed in Part V(T), and the decisions made throughout this document. Furthermore, as noted above, the General Manager is proposing more conservative rates under Schedules 3, 5, 6, and 10 than contained in the April 1 Proposal. The General Manager's decision serves as a buffer for wholesale customers against sudden escalations in costs.

L. Costs of Facilities Included in Schedule 2

1. LADWP Proposal

Witnesses David Cohen *et al.*, in Exhibit No. DWP-100, describes the methodology employed to calculate Reactive Supply and Voltage Control,[168] and specific resources that are capable of providing the services.[169]

2. Comments Received

The Cities contend that LADWP includes the costs of certain facilities in the Schedule 2 revenue requirement that cannot provide Tariff customers with Reactive Supply and Voltage Control ("VAR") services. The critique singles out the Owens Gorge units, San Francisquito Canyon Power Plants (PP-1 and PP-2), and the Intermountain Power Project generating station as ineligible for providing Schedule 2 services.

The Cities' witnesses assert that these units do not qualify to supply VARs to the integrated grid due to operational characteristics and limitations. The inclusion of these facilities' costs in the Schedule 2 revenue requirement is argued to overstate Tariff costs and rates, violating the principle of cost causation and relevant provisions of the FPA.

To rectify this alleged error, the Cities recommend removing the costs of these facilities from the Schedule 2 revenue requirement, re-running the COSS, and recalculating Reactive Supply and Voltage Control rates. The proposed correction includes the creation of a new

[168] Refer to Exhibit No. DWP-100 beginning at page 129.

[169] *Id*. at 133.

Schedule 2A specifically for reservations and use of Intermountain Power Project's transmission components.

3. General Manager's Decision

The General Manager finds that LADWP was justified in including the costs of the Owens Gorge units, San Francisquito Canyon Power Plants (PP-1 and PP-2), and the Intermountain Power Project generating station in the revenue requirement for Schedule 2. The COSS incorporates all facilities with the capability to provide reactive and/or voltage control support to the grid, even if some of these facilities function only as redundant elements. This redundancy is essential for maintaining system reliability, regardless of whether these facilities actually provide reactive power to the grid. Accordingly, the General Manager concludes that the costs of the Owens Gorge, San Francisquito, and Intermountain Power Project facilities are properly included in the Schedule 2 revenue requirement.

The General Manager further incorporates the rate adjustments discussed in Part V(T), below.

M. Costs of Facilities Included in Schedules 3 and 10

1. LADWP Proposal

Witness Ehud Ben Abadi, in Exhibit No. DWP-400, describes the methodology employed to calculate the VER regulation requirement as a percentage of the total nameplate capacity for LADWP's system based on historical data from FY19/20. Witness Ehud Ben Abadi has also provided for the FY19/20 OATT Model computations supporting the Purchase Obligation identified in Tab BL for AS Schedules 3 and 10. Witness Ehud Ben Abadi's work was incorporated into the COSS as described in the testimony of witness David B. Cohen *et al.*, Exhibit No. DWP-100.

2. Comments Received

The Cities argue that LADWP's proposed rates for Schedules 3 and 10 are flawed because the costs of certain facilities without AGC capabilities have been erroneously included. Specifically, the identified facilities without AGC include the Foothill plant, the Owens Gorge units, and the San Francisquito units. The inclusion of these facilities' costs in the revenue requirements for Schedules 3 and 10 is alleged to overstate LADWP's costs and rates for these schedules, resulting in Tariff customers subsidizing the expenses for entities that use these facilities.

The Cities conclude that the inclusion of facilities with no AGC capabilities results in an overstatement of LADWP's costs and rates for Schedules 3 and 10. Such overstatements, the Cities argue, violate the principle of cost causation and, consequently, FPA Sections 212 and 211A. The Cities request that LADWP rectify this error by removing the costs of these facilities from the revenue requirements for Schedules 3 and 10. The proposed correction involves re-running the COSS for these ancillary services to reflect these amendments and recalculating the rates for Schedules 3 and 10.

3. General Manager's Decision

The General Manager finds that LADWP was justified in including the Foothill plant, the Owens Gorge units, and the San Francisquito units in the revenue requirements for Schedules 3 and 10. As noted above, all generating facilities providing ancillary services under Schedules 3, 5, 6, and 10 of the Tariff undergo continuous assessments to evaluate their contributions to ancillary services on the grid. LADWP has incorporated, as part of the COSS, all facilities with the capability to provide ancillary services, ensuring the maintenance of system reliability. Based on current practices and historical performance, LADWP determined that all facilities listed in the "Generating Capabilities" list are deemed sufficient for providing ancillary services under Schedules 3, 5, 6, and 10, ensuring the maintenance of system reliability. Accordingly, the General Manager concludes that the revenue requirements of Schedules 3 and 10 legitimately include the Foothill plant, the Owens Gorge units, and the San Francisquito units.

The General Manager further incorporates the rate adjustments discussed in Part V(T), below.

N. Costs of Facilities Included in Schedules 5 and 6

1. LADWP Proposal

LADWP proposed capacity charges for ancillary service rate Schedules 2, 3, 5, 6, and 10 by identifying the revenue requirement associated with the facilities used to supply those services. LADWP's operating personnel identified the units capable of providing ancillary services during the Test Period.[170] The units capable of supplying each service were identified by LADWP in Exhibit No. DWP-101, tab "Gen AS Matrix."[171]

2. Comments Received

The Cities argue that LADWP has violated FERC precedent and engaged in discriminatory practices against OATT customers by including the costs of the Owens Gorge units in the revenue requirements for Schedules 5 and 6. Specifically, the Cities allege that these units neither provide Spinning Reserves nor frequently offer Supplemental Reserves.

The Cities raise the following points:

1. **Spinning Reserves Ineligibility:** The Owens Gorge units are ineligible to provide Spinning Reserves due to their operational characteristics, particularly being block loaded to the water schedule for aqueduct movement.
2. **Rare Usage for Supplemental Reserves:** While the Cities acknowledge that the Owens Gorge units may provide Supplemental Reserves in limited, conditions, they continue to argue that the Owens Gorge units should not qualify as the "units most likely" to provide Supplemental Reserves because such conditions rarely exist.

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[170] Appendix C, Exhibit No. DWP-101 (OATT Rate Model), tab "Gen AS Matrix."

[171] *Id*.

3. **Cost Allocation Criteria:** The Cities posit that only generators deemed "most likely to provide" a specific ancillary service should have their costs allocated to the rates for that service. Therefore, since the Owens Gorge units would not qualify as one of the units most likely to provide Supplemental Reserves based on their rare usage, the Cities conclude that their costs should be excluded from the rates for Supplemental Reserves.

4. **Overstated Rates:** The Cities allege that LADWP's inclusion of the Owens Gorge units' costs in the revenue requirements for Schedules 5 and 6 overstates the rates for these schedules. This results in Tariff customers subsidizing the costs of other entities' use of these facilities, violating the principle of cost causation and FPA Sections 212 and 211A.

To rectify this alleged error, the Cities request that LADWP takes the following corrective actions:

- Remove the Owens Gorge units' costs from the revenue requirements for Schedules 5 and 6;
- Re-run the COSS for this ancillary service to reflect these amendments; and
- Recalculate the Schedule 5 rates to align with the corrected cost allocation.

3. General Manager's Decision

The General Manager finds that LADWP properly included the Owens Gorge units in the revenue requirements for Schedules 5 and 6. The Owens Gorge Units are now, and were during the Test Period, reported to RC West (the reliability coordinator for the Western Interconnection) as spinning and supplemental reserves during certain operating conditions. When offline, they are capable of responding within 10 minutes as supplemental reserves when water levels allow. The units are also, at times, online but not fully loaded, and any headroom allowed by water conditions can be and often is reported to RC West as available for spinning reserves. Furthermore, as discussed above, LADWP has incorporated, as part of the COSS, all facilities with the capability to provide ancillary services, ensuring the maintenance of system reliability. All generating facilities providing ancillary services under Schedules 3, 5, 6, and 10 of the OATT undergo continuous assessments to evaluate their contributions to ancillary services on the grid. Consequently, based on current practices and historical performance, LADWP has determined that all facilities listed in the "Generating Capabilities" list are deemed sufficient for providing ancillary services under Schedules 3, 5, 6, and 10, ensuring the maintenance of system reliability. Accordingly, the General Manager concludes that the Owens Gorge units are properly considered in the revenue requirements for Schedules 5 and 6.

The General Manager further incorporates the rate adjustments discussed in Part V(T), below.

O. Interconnection Facilities Included in Integrated Network Costs

1. LADWP Proposal

The Seven-Factor and *Mansfield* Tests were performed by Witness Jennifer Tripp to determine network transmission assets in service during FY19/20, as discussed in her testimony, Exhibit No. DWP-500. The tests specifically identify those facilities that do not support the

Network Transmission System that LADWP operates. The COSS model, in the "Seven Factor Summary" tab summarizes and quantifies adjustments based on the results of the Seven-Factor Test, which delineates the boundary between transmission and distribution, and the *Mansfield* factors, which delineate between rolled-in network transmission facilities and directly assigned transmission facilities. As a result of Witness Tripp's functional analysis, certain facilities were reclassified for ratemaking purposes. This reclassification created necessary adjustments to recorded transmission gross plant, accumulated depreciation, depreciation expense, O&M, labor expense, and property taxes.

Per Tripp's testimony, nFront performed the power flow analyses portion of the Seven-Factor Test for the whole LADWP transmission system, inclusive of all owned and direct interest facilities at 34.5 kV and higher (the "LADWP Network Facilities") and performed the remaining Seven-Factor Test on all LADWP Network facility changes between FY14/15 and FY19/20. nFront considered the Midcontinent Independent System Operator, Inc.'s ("MISO") Business Practices Manual ("BPM") 028, as a datapoint for the application of the Seven-Factor Test. nFront's application of the Seven-Factor Test to the LADWP Network first relied on the results of the power flow analyses as follows:

- Any alternating current ("AC") facility "passing" the Seven-Factor Test as radial (Factor 2) were evaluated under *Mansfield* criteria for inclusion in the COSS.
- All AC facilities over which the flow changed in some or all of the power flow scenarios evaluated were identified as "failing" the Seven-Factor Test; Factor 2 and Factor 3 (are not distribution under Factor 2 and Factor 3).
- Each high-voltage direct current ("HVDC") facility was examined in the power flow analyses to determine if the AC system at each end of the HVDC was integrated. Each HVDC facility for which the associated AC facilities at each end of the HVDC was identified in the power flow analyses as integrated was identified as "failing" the Seven-Factor Test; Factor 2 and Factor 3.

Additionally, Ms. Tripp found that all LADWP Network facilities classified and recovered under the OATT as transmission facilities in the FY14/15 Transmission Assessment continue to retain the same classification, other than those facilities that were retired. The majority of the changes were associated with the integration of the Haskell Canyon Switchyard, along with two new lines from Barren Ridge to Haskell Canyon, procurement of portions of additional portions of the Eldorado System, and a reconfiguration in the Wilmington Harbor area, the latter of which resulted in one transmission line, Harbor to Tap 1 138 kV, which was classified as Distribution in the FY14/15 Transmission Assessment and is now Transmission under the FY19/20 Transmission Assessment. The results of applying the Seven-Factor Test and *Mansfield* are factored into the reassignment classifications (Distribution, Production, or Transmission).

2. Comments Received

The Cities provided the following comments arguing that LADWP relied on the wrong criteria to identify and categorize transmission facilities as part of the network transmission system eligible to provide services under the tariff:

LADWP should have used the "at or beyond" test to determine whether the Owens Valley System ("OVS") transmission facilities are interconnection facilities. Commission precedent dictates that the "at or beyond" test be used to determine whether certain transmission facilities are interconnection facilities. Application of the "at or beyond" test and LADWP's definition of "Interconnection Facilities" to the OVS shows that these facilities are interconnection facilities.

Specifically, OVS facilities are facilities and equipment between the generating facilities (i.e., Pine Tree Wind & Solar, RE Cinco Solar, Beacon Solar, Springbok Solar, Castaic and Owens Gorge) and the Point of Interconnection (i.e., the Olive, Sylmar, Rinaldi and Northridge) that are necessary for LADWP to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System; and have the sole use of delivering the output of these generators. Therefore, the OVS facilities meet LADWP's own definition of "Interconnection Facilities." Further, the "at or beyond" test shows the facilities that make up the OVS are interconnection facilities that interconnect the Owens Gorge Units, Castaic, and renewable generators in the Collector System to the LADWP integrated network. The Rinaldi, Sylmar, Olive, and Northridge substations/receiving stations are the points of interconnection to the LADWP integrated network. All facilities north of those points of interconnection are not and should not be classified as network facilities. As such, the *Mansfield* Test is not the appropriate test for determining whether these facilities are interconnection or network facilities. Rather, FERC's "at or beyond" test is the appropriate test to use.

Even if *Mansfield* Test is used, it shows that the Inyo – Haskell portion of the OVS is not integrated but instead is used solely to connect LADWP's generation to the grid, so that this generation can serve LADWP's retail load. Application of *Mansfield* Factor 1 demonstrates that the Inyo – Haskell facilities are radial and not looped. Application of *Mansfield* Factor 2 demonstrates that energy flows in one direction over the Inyo – Haskell facilities. Application of *Mansfield* Factor 3 demonstrates that LADWP serves only its own customers over the Inyo – Haskell facilities. Application of *Mansfield* Factors 4 and 5 demonstrates that the radial configuration of Inyo – Haskell prevent LADWP from providing support and added reliability to the other looped line and that an outage on Inyo – Haskell would not affect the power flows on the remainder of the system. Accordingly, Factors 1 through 5 of the *Mansfield* Test show that Inyo – Haskell is not integrated.

When Factors 1 through 5 of the *Mansfield* Test are applied to Inyo – Haskell, these factors show that these facilities are not integrated and should not be included in LADWP's Tariff rates. However, as previously stated, the *Mansfield* Test is not the correct test because these facilities (along with the Haskell – Rinaldi facilities) are actually part of a gen-tie. Therefore, as detailed in the preceding section of this testimony, the Inyo – Rinaldi facilities' costs, should be excluded from the proposed transmission revenue requirement.

3. General Manager's Decision

The General Manager finds that LADWP properly applied the *Mansfield* criteria and Seven-Factor Test to identify and categorize transmission facilities as part of the network transmission system eligible to provide services under the tariff. Support for the General Manager's conclusion is available in the analysis provided by Witness Tripp in Exhibit No. DWP-500.

P. Excluding Distribution Transformers From Updated Reallocation of Receiving Station Expenditures Study

1. LADWP Proposal

Across the LADWP system, there are twenty (20) receiving stations which contain transmission voltage-level equipment and distribution-level voltage facilities. As part of its rate development, a Receiving Station Allocation Study was prepared by LADWP Staff and confirmed by Witness Tripp.[172] Based on this study, allocation of Receiving Station ("RS"') costs across utility functions were as follows: Production (2.28%), Transmission (42.98%), and Distribution (54.74%).[173] Further, the RS Study was performed in accordance with FERC's Seven-Factor Test requirements[174] and employed the same methodology used for the prior FY14/15 COSS analysis, with data updated for FY19/20. In particular, the allocation of the high-side (100 kV and higher) circuit breakers and associated equipment was conducted as follows: (i) equipment used to protect the RS transformers was assigned to Distribution, (ii) equipment used to protect the 100 kV and higher transmission lines was assigned to Transmission, and (iii) equipment used to protect generating assets was assigned to Production.[175]

On January 9, 2023, LADWP responded to a data request from Burbank and Glendale regarding inputs into the base case data used in the RS Allocation Study.[176] Specifically, Burbank and Glendale requested clarification as to the treatment of a 25 MVA 230/34.5 kV transformer (labeled as SS-3/2) at Scattergood Station; the number of 160 MVA transformers located at Fairfax Station; and the number of transformers at the Wilmington Station.[177] In its response, LADWP explained for the Scattergood, Fairfax, and Wilmington Stations, one transformer was inadvertently missed in each location.[178] In correcting this oversight, LADWP also explained that all three transformers will be assigned to the Distribution function.

2. Comments Received

Burbank and Glendale have contested the results of the RS Cost Allocation Study. Concerns raised by these parties include: (1) claims that non-transmission station service transformers and distribution transformers were excluded, with reference to the clarification made by LADWP in response to BG20-477 (see above);[179] and (2) arguments that LADWP improperly utilized the higher cost per MVA of a 160 MVA transformer, more typical of

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[172] Ex. No. DWP-100 at 9:13-17; Ex. No. DWP-500 at 11:10-24.

[173] Ex. No. DWP-500 at 11:10-24.

[174] *Id.*

[175] *Id.*

[176] LADWP Response to Data Request BG20-477 (Jan. 9, 2023).

[177] *Id.* at Questions BG20-477 b., c., and d.

[178] *Id*. The Burbank and Glendale data request also asked a separate question about the potential for 230/34.5 kV transformers at the Fairfax Station. No such transformers are located at the Fairfax Station.

[179] Ex. No. BWP/GWP-200 at 7:18-8:4.

transformers classified as distribution, as opposed to the lower cost per MVA of LADWP's larger transmission transformers.[180] With respect to their cost per MVA transformer challenge, Burbank and Glendale submitted a cost analysis (Exhibit No. BWP/GWP-206) detailing their per MVA cost estimate differentiating between a 400 MVA transformer, a 160 MVA transformer and a 16 MVA 230/34.5 kV transformer.

Based on these claimed errors, Burbank and Glendale argue that the resulting allocation percentage for transmission facilities (i.e., 42.98%) is overstated. As a remedy, Burbank and Glendale request that LADWP: (1) correct its RS Cost Allocation study for the correct number of facilities at both generating and distribution stations, (2) amend the cost per MVA that it uses in its COSS to reflect either the actual cost it paid per MVA for each facility or a lower average cost per MVA of LADWP's larger *transmission* transformers (as opposed to *distribution* transformers); (3) re-run the COSS to reflect these amendments, and (4) recalculate the associated, proposed Tariff rates.[181]

3. General Manager's Decision

The General Manager finds that, after reevaluating the Reallocation of Receiving Station Expenditure and identifying distribution transformers that were erroneously included in the initial allocation study, it applied the correct assessment of transformers and MVA costs.

LADWP discovered that certain cells in the Excel sheet used for the allocation did not calculate the total rating of the transformers and the quantity of circuit breakers within those stations accurately. As a result, LADWP made necessary modifications, provided the following updated allocation:

RS Allocation Function	As Filed 04/01/2022	Corrected 07/06/2023
Distribution Allocation	54.74%	53.62%
Production Allocation	2.28%	0.86%
Transmission Allocation	42.98%	45.53%

Nonetheless, the corrections made by LADWP to the Reallocation Study are minor in nature and do not have a material impact on rates. Consequently, the General Manager denies Burbank and Glendale's request to re-run the COSS and recalculate the associated, proposed Tariff rates.

The General Manager further incorporates the rate adjustments discussed in Part V(T), below.

[180] *Id.* at 63:15-65:8.

[181] *Id.* at 8:5-20.

Q. Including Distribution Transformer Costs in the Calculation of Transmission Transformer Costs

1. Comments Received

The Cities commented that because larger MVA transformers generally have a lower cost per MVA than smaller MVA transformers, LADWP artificially inflated these costs by using smaller MVA transformers to establish its proxy cost for transmission transformers. LADWP should use transmission transformer costs to establish the proxy cost for transmission transformers. In addition, because LADWP failed to provide all the data that the Cities requested in their information requests, it is unclear whether LADWP applied this same erroneous cost per MVA to its other (non-receiving) station transformers.

The Cities request that LADWP (1) correct the Receiving Station Allocation Study to properly account for the lower cost per MVA of larger MVA transformers; (2) correct its other transformer cost data, if this same erroneous cost data was used for non-receiving station transformers; (3) update its COSS to reflect the changes resulting from the correction of cost per MVA transformer data; and (4) update its Tariff revenue requirement and the associated OATT rates to reflect the results of these revisions. In addition, if LADWP applied this same erroneous cost per MVA to its other (non-receiving) station transformers, LADWP should take the same actions listed above to properly account for these non-receiving station costs.

2. General Manager's Decision

The General Manager finds that the Receiving Station Allocation Study, taking into consideration the changes discussed above in Subsection P, correctly incorporated LADWP's system configuration for the Test Period, and correctly incorporates LADWP's costs in to the COSS.

The General Manager further incorporates the rate adjustments discussed in Subsection T, below.

R. Impacts of Joining the CAISO EIM

1. LADWP Proposal

LADWP joined the CAISO EIM on April 1, 2021, after the end of the Test Period.

2. Comments Received

The Cities argue that, even though LADWP joined the CAISO EIM after the end of the Test Period, the event constitutes a change in LADWP's circumstances that has a material effect on rates before the proposed effective date of the revised rates and should be in the analysis for establishing new rates. According to the Cities, LADWP's participation in the CAISO EIM has had a profound effect on its costs, operations and revenues and has materially altered the way it uses the transmission and generation resources whose costs are included in its Tariff's transmission and ancillary services rates. In particular, the Cities emphasize the increased revenues from generators that LADWP uses to supply ancillary services to Tariff Customers.

According to the Cities, the LADWP Tariff Update does not account for any of these significant, known and measurable changes to its operations, which increase the revenues that LADWP receives and reduce the costs incurred to meet loads and reliability standards. Burbank and Glendale contend that LADWP's failure to account for the known and measurable effects that its EIM participation has on its production costs and the associated ancillary services rates, violates this longstanding Commission precedent. Accordingly, the Cities state that LADWP should amend the COSS in its Tariff Update to include credits for the revenues it receives from its participation in EIM and should propose new rates arising from this amended COSS.

3. General Manager's Decision

The General Manager finds that LADWP did not propose a change to Ancillary Service Rate Schedule 4 or 4A regarding Energy Imbalance Service. The CAISO's EIM is utilized to provide Energy Imbalance Service in Schedule 4. Accordingly, the Cities' comments about these provisions are not within the scope of this proceeding. Rather, the Cities' comments relate to LADWP's 2020 tariff revision proceedings adopted by the City Council in June 2020.[182] Accordingly, these comments constitute time-barred, collateral attacks on the City Council's prior decisions.[183] Therefore, the General Manager is dismissing these comments as out-of-scope. Furthermore, as LADWP joined the CAISO's EIM after the Test Period, EIM related costs are outside the scope of costs considered in this proceeding. A mixing and matching of costs as proposed by the Cities would lead to an arbitrary result. Consequently, the General Manager denies the Cities' request that LADWP amend the COSS in its Tariff Update to include credits for the revenues it receives from its participation in EIM and should propose new rates arising from this amended COSS.

S. Methodology for Carrying Construction Charges Shifting to Construction Work in Progress ("CWIP")

1. Comments Received

PowerEx comments that "LADWP has long used one method, an AFUDC to recover these charges [carrying charges for construction], but for the first time, LADWP now proposes to

[182] Los Angeles City Council, Official Action of the Los Angeles City Council, Council File No. 19-1599 (Jun. 25, 2020), *available at* https://clkrep.lacity.org/onlinedocs/2019/19-1599_CAF_06-25-2020.pdf.

[183] It is contrary to sound administrative practice and a waste of resources to relitigate previously resolved issues where, as here, there are no new or changed circumstances requiring a different result. *See, e.g.*, *Tenn. Gas Pipeline Co.*, 41 FERC ¶ 63,006 at pp. 65,008-11 (1987); *Nantahala Power & Light Co.*, 29 FERC ¶ 61,179 at p. 61,374 (1984); *Nev. Power Co.*, 27 FERC ¶ 61,487 at p. 61,940 (1984); *See also Cent. Kan. Power Co., Inc.*, 3 FERC ¶ 61,691 at p. 61,621 (1978). Furthermore, the Cities are using the current proceeding as a vehicle for an untimely and thinly veiled collateral attack on the tariff provisions which the City Council approved in previous proceedings and which are not currently proposed for revision. These comments are therefore dismissed as time-barred. *See A Loc. & Reg'l Monitor v. City of Los Angeles*, 16 Cal. App. 4th 630, 649 (Cal. Ct. App. 1993).

recover CWIP in its rate base.[184] The near-term effect of this ratemaking choice is another unnecessary decision that increases the rates proposed in this proceeding."[185]

Additionally, PowerEx commented that it "questions LADWP's justification for abandoning [AFUDC in favor of CWIP[186]],[187] given that LADWP's choice to use CWIP causes an unnecessary and additional 2 percent upward pressure on the proposed rate (i.e., the annual revenue requirement for Schedules 7 & 8). This additional upward rate pressure, is layered on other significant rate increases over present rates, is unnecessary, and PowerEx urges LADWP to continue booking pre-construction and construction costs as AFUDC and re-evaluate this in a future rate case."[188]

2. General Manager's Decision

The General Manager finds that LADWP's handling of CWIP adheres to established rate-making principles, and is applying CWIP consistently in the COSS, and excluded AFUDC. Furthermore, LADWP's decision to recover the cost of new capital as it is being constructed as CWIP is intended to reduce the future rate impacts of this construction as the construction is put into service, which occurs when utilizing AFUDC.[189] Accordingly, the General Manager rejects the request from PowerEx that LADWP continue booking pre-construction and construction costs as AFUDC. LADWP has made other adjustments to rates as discussed throughout this document to address the impact of the revised rates.

The General Manager further incorporates the rate adjustments discussed in Part V(T), below.

T. LADWP Adjustments

While there were no direct stakeholder comments concerning the following rates, in order to address the rate shock concerns expressed by PowerEx and the Cities, the General Manager considered the changes to the rates incorporated into the April 1 Proposal beyond the specific comments discussed above and is recommending changes. Specifically, the General Manager is recommending lower rates than the April 1 Proposal in the interest of providing a shock absorber to wholesale customers against burdensome rate changes. The analysis supporting the April 1, 2022 rate adjustments allows for a range of just and reasonable rates for each relevant rate schedule. In this situation, where the analysis does not necessitate specific rate decisions, the General Manager has opted for more modest rates to cushion ratepayers from sharp price increases.

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[184] PowerEx Comments at 21.

[185] *Id*.

[186] *Bos. Edison Co.*, 109 FERC ¶ 61,300 at PP 26-29 (2004).

[187] The original text reads "CWIP in favor of AFUDC" but LADWP believes this was a typo and that PowerEx intended for the text to read as quoted as PowerEx is challenging LADWP's decision to move from AFUDC to CWIP.

[188] PowerEx Comments at 23.

[189] *Bos. Edison Co.*, 109 FERC ¶ 61,300 at PP 26-29.

1. IPP Prepayment Adjustment

(a) LADWP Proposal

In Statement AL, LADWP detailed prepayments related to purchased power and purchased transmission. Specifically, using a 13-month average, prepayment costs were assigned to the proper "OATT" or "Non-OATT" related cost columns. Non-OATT items include fuel and geothermal power costs.[190] Under certain power sale arrangements, LADWP makes prepayments for its rate development, which were accounted for in Statement AL. These prepayments were accounted for in Statement AL as follows:[191]

IPP Prepayments	As Filed 04/01/2022
IGS – Non-Fuel	$11,317.34
IGS – Fixed Fuel	$7,630.83
IGS – Variable Fuel	$(13,621.83)
NTS	$(216.22)

(b) General Manager's Decision

After the issuance of April 1, 2022 rate proposal, LADWP found that certain IPP Prepayment entries reflected in Statement AL had been incorrectly calculated. The identified errors were: (i) the monthly ending balances for certain IPP Prepayments were not being calculated correctly; and (ii) a small portion of fixed fuel cost was inadvertently included in the balance of IPA-IGS Non-Fuel. LADWP has recalculated the 13-monthly average for IPP Prepayments. The updated balance is as follows:

IPP Prepayments	As Filed 04/01/2022	Corrected 07/06/2023
IGS – Non-Fuel	$11,317.34	$3,649.88
IGS – Fixed Fuel	$7,630.83	$4,912.80
IGS – Variable Fuel	$(13,621.83)	$(3,524,38)
NTS	$(216.22)	$71.80

2. IPP Minimum Cost Adjustment

(a) LADWP Proposal

In Statement AH, LADWP detailed purchased power expenses related to IPP. Specifically, LADWP's share of IPP Operation Expense was reflected as follows:

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[190] DWP-100, p. 100, l. 19 – p. 101, l. 11 and p. 102, ll.10-17.

[191] DWP-100, App. C, Tab AL.

IPP Minimum Cost	As Filed 04/01/2022
Operation Expense (Cell BH56)	**$17,396.61**

(b) General Manager's Decision

After the issuance of April 1, 2022, rate proposal, LADWP found that IPP Operation Expense reflected in Statement AH had been incorrectly calculated. A small portion of fixed fuel cost was inadvertently included in the balance of IPP Operation Expense. LADWP has recalculated the amount and the updated balance is as follows:

IPP Minimum Cost	As Filed 04/01/2022	Corrected 07/06/2023
Operation Expense (Cell BH56)	**$17,396.61**	**$15,837.06**

3. Apex Purchased Transmission Reclassified to Production

(a) LADWP Proposal

In Statement AH, LADWP allocated Apex Purchased Power Expense to Transmission and Production as follows:

Apex Purchased Power Expense	As Filed 04/01/2022
Purchased Transmission (Cell BG371)	$15,962.02
Purchased Production (Cell BJ66)	$46,502.10

(b) General Manager's Decision

After the issuance of April 1, 2022 rate proposal, LADWP has determined that for OATT rate purposes, Apex Purchased Transmission expenses should be removed from the Transmission function and placed into the Production function. The transmission service agreement for Apex Energy through Nevada Energy's OASIS site is not available for resale on LADWP's OASIS site and is therefore considered part of Purchased Power for Production for the OATT rate purposes. The changes are as follows:

Apex Purchased Power Expense	As Filed 04/01/2022	Corrected 07/06/2023
Purchased Transmission (Cell BG371)	$15,962.02	$0
Purchased Production (Cell BJ66)	$46,502.10	$62,464.11

4. OATT Model Cell Formula Corrections

(a) LADWP Proposal

The April 1 Proposal proposed rates based on the calculations in the OATT Model.

(b) General Manager's Decision

After the issuance of April 1, 2022 rate proposal, LADWP found and corrected the following cell formula errors in the OATT Model that caused certain cells to sum up incorrectly or miscalculate certain allocation percentages:

AE Tab: RS Allocated to Distribution (Beg/End Avg) on Cell H343 is incorrectly linked to Reclassify RS to Distribution 13 Month Average on Cell H338. It is now correctly linked to Reclassify RS to Distribution Beg/End Average on Cell G338.

AH Tab: Cell D359 has a #VALUE! error because it is linked to the wrong cell. It is now correctly linked to Cell BG359.

Haynes Rate Base Tab: Haynes prepayments (Row 142) is being allocated to units based on Haynes Reclassified Gross Plant Allocator. The formula has been corrected to allocate Haynes prepayment to units based on the Haynes Prepayment Unit Allocator.

Sctrgd Rate Base Tab: Total Cash Working Capital (Row 147): Cells E147, H147, J,147, O147, P147, T147, and W147 were not adding up the intended cells. The cell links have been corrected so that these cells are now summing up the appropriate cells.

Total Scattergood Accum Deprec Cell T119 is a blank cell. It should be a sum formula to calculate a total for Scattergood Units 4-7. Cell T119 has been corrected to properly calculate a total for Scattergood Units 4-7.

Sctrgd Expense Tab: Scattergood O&M Allocator (Row 46): This allocator is being incorrectly calculated because it only included Scattergood Common O&M expense and excluded Scattergood O&M expense. The formula has been corrected to include Scattergood O&M expense in the calculation.

Harbor Tab: Depr. Expense (new rates) Allocator for Harbor (Row 125): This allocator is being incorrectly calculated because it only included Harbor Common depreciation expense and excluded Harbor depreciation expense. The formula has been corrected to include Harbor depreciation expense in the calculation.

Valley Tab: Depr. Expense (new rates) Allocator for Valley (Row 126): This allocator is being incorrectly calculated because it only included Valley Common depreciation expense and excluded Valley depreciation expense. The formula has been corrected to include Valley depreciation expense in the calculation.

Castaic Tab: Depr. Expense (new rates) Allocator for Castaic (Row 118): This allocator is being incorrectly calculated because it only included Castaic Common depreciation expense and excluded Castaic depreciation expense. The formula has been corrected to include Castaic depreciation expense in the calculation.

7 Factor Summary Tab: The % of Transmission Plant Subject to Property Tax on Cell E177 is improperly linked to the wrong numerator and is actually calculating a % of Transmission Plant Not Subject to Property Tax. The formula has been corrected so that the numerator is now linked to the appropriate cell and calculating the % of Transmission Plant Subject to Property Tax.

5. Schedule 1 – Scheduling, System Control, and Dispatch Change

(a) LADWP Proposal

The April 1 Proposal proposed a rate of $0.206 per kW-month.

(b) General Manager's Decision

The General Manager recommends a rate of $0.171 per kW-month. The rate changed because of various adjustments and corrections that impacted the revenue requirement and rate divisor and ultimately, the rate calculation. Specifically, there was a net reduction of $56,492 in revenue requirement due to the following adjustments:

- ROE and Capital Structure (See Part V(D)) – Decreased by $56,468
- Updated Receiving Station Allocation (See Part V(P)) – Decreased by $24
- IPP Prepayment Adjustment (See Part V(T)(1)) – No impact
- IPP Minimum Cost Adjustment (See Part V(T)(2)) – No impact
- Apex Purchased Transmission Reclassified to Production (See Part V(T)(3)) – No impact
- OATT Model Cell Formula Corrections (See Part V(T)(4)) – No impact

In addition, the rate divisor increased from 5,509 to 6,594 due to the change in methodology from 12-CP to 4-CP (See Part V(B)). The increase in the rate divisor significantly reduced the rate.

The following table summarizes the changes to Schedule 1:

Schedule 1	As Filed 04/01/2022	Adjusted and Corrected 07/06/2023	Increase (Decrease)
Adj. Revenue Requirement (After Rev Credits)	$13,606,313	$13,549,821	$(56,492)
Rate Divisor (MW)	5,509	6,594	1,085
Rate ($/kW - Month)	$0.206	$0.171	$(0.035)

6. Schedule 2 – Reactive Supply and Voltage Control

(a) LADWP Proposal

The April 1 Proposal proposed a rate of $0.167 per kW-month.

(b) General Manager's Decision

The General Manager recommends a rate of $0.137 per kW-month. The rate changed because of various adjustments and corrections that impacted the revenue requirement and rate divisor and ultimately, the rate calculation. Specifically, there was a net reduction of $184,575 in revenue requirement due to the following adjustments and corrections:

- ROE and Capital Structure (See Part V(D)) – Decreased by $183,327
- Updated Receiving Station Allocation (See Part V(P)) – Increased by $6,773
- IPP Prepayment Adjustment (See Part V(T)(1)) – Decreased by $8,719
- IPP Minimum Cost Adjustment (See Part V(T)(2)) – Increased by $222
- Apex Purchased Transmission Reclassified to Production (See Part V(T)(3)) – No impact
- OATT Model Cell Formula Corrections (See Part V(T)(4)) – Increased by $476

In addition, the rate divisor increased from 5,509 to 6,594 due to the change in methodology from 12-CP to 4-CP (See Part V(B)). The increase in the rate divisor significantly reduced the rate.

The following table summarizes the changes to Schedule 2:

Schedule 2	As Filed 04/01/2022	Adjusted and Corrected 07/06/2023	Increase (Decrease)
Adj. Revenue Requirement (After Rev Credits)	$11,010,894	$10,826,320	$(184,575)
Rate Divisor (MW)	5,509	6,594	1,085
Rate ($/kW - Month)	$0.167	$0.137	$(0.030)

7. Schedule 3 – Regulation and Frequency Response

(a) LADWP Proposal

The April 1 Proposal proposed a rate of $13.835 per kW-month with a 2.256% purchase obligation.

(b) General Manager's Decision

The General Manager recommends a rate of $11.604 per kW-month with a 1.885% purchase obligation. The rate changed because of various adjustments and corrections that impacted the revenue requirement and rate divisor and ultimately, the rate calculation. Specifically, there was a net increase of $3,620,112 in revenue requirement due to the following adjustments and corrections:

- ROE and Capital Structure (See Part V(D)) – Decreased by $9,294,240
- Updated Receiving Station Allocation (See Part V(P)) – Decreased by $1,078,245
- IPP Prepayment Adjustment (See Part V(T)(1)) – Decreased by $433,081
- IPP Minimum Cost Adjustment (See Part V(T)(2)) – Decreased by $1,559,549
- Apex Purchased Transmission Reclassified to Production (See Part V(T)(3)) – Increased by $15,962,017
- OATT Model Cell Formula Corrections (See Part V(T)(4)) – Increased by $23,210

In addition, the rate divisor increased from 5,509 to 6,594 due to the change in methodology from 12-CP to 4-CP (See Part V(B)). The increase in the rate divisor significantly reduced the rate and purchase obligation percentage.

The following table summarizes the changes to Schedule 3:

Schedule 3	As Filed 04/01/2022	Adjusted and Corrected 07/06/2023	Increase (Decrease)
Adj. Revenue Requirement (After Rev Credits)	$914,637,166	$918,257,278	$3,620,112
Rate Divisor (MW)	5,509	6,594	1,085
Rate ($/kW - Month)	$13.835	$11.604	$(2.231)
RFR Purchase Obligation (MW)	124.3	124.3	-
RFR Purchase Obligation %	2.256%	1.885%	-0.371%

8. Schedule 5 – Operating Reserve – Spinning Reserve

(a) LADWP Proposal

The April 1 Proposal proposed a rate of $13.617 per kW-month with a 5.445% purchase obligation.

(b) General Manager's Decision

The General Manager recommends a rate of $11.425 per kW-month with a 4.549% purchase obligation. The rate changed because of various adjustments and corrections that impacted the revenue requirement and rate divisor and ultimately, the rate calculation. Specifically, there was a net increase of $3,832,779 in revenue requirement due to the following adjustments and corrections:

- ROE and Capital Structure (See Part V(D)) – Decreased by $9,080,905
- Updated Receiving Station Allocation (See Part V(P)) – Decreased by $1,078,912
- IPP Prepayment Adjustment (See Part V(T)(1)) – Decreased by $433,081
- IPP Minimum Cost Adjustment (See Part V(T)(2)) – Decreased by $1,559,549
- Apex Purchased Transmission Reclassified to Production (See Part V(T)(3)) – Increased by $15,962,017
- OATT Model Cell Formula Corrections (See Part V(T)(4)) – Increased by $23,210

In addition, the rate divisor increased from 5,509 to 6,594 due to the change in methodology from 12-CP to 4-CP (See Part V(B)). The increase in the rate divisor significantly reduced the rate and purchase obligation percentage.

The following table summarizes the changes to Schedule 5:

Schedule 5	As Filed 04/01/2022	Adjusted and Corrected 07/06/2023	Increase (Decrease)
Adj. Revenue Requirement (After Rev Credits)	$900,272,310	$904,105,088	$3,832,779
Rate Divisor (MW)	5,509	6,594	1,085
Rate ($/kW - Month)	$13.617	$11.425	$(2.192)
Spinning Reserve Purchase Obligation (MW)	300	300	-
Spinning Reserve Purchase Obligation %	5.445%	4.549%	-0.896%

9. Schedule 6 – Operating Reserve – Supplemental Reserve

(a) LADWP Proposal

The April 1 Proposal proposed a rate of $4.016 per kW-month with a 5.445% purchase obligation.

(b) General Manager's Decision

The General Manager recommends a rate of $3.288 per kW-month with a 4.549% purchase obligation. The rate changed because of various adjustments and corrections that impacted the revenue requirement and rate divisor and ultimately, the rate calculation. Specifically, there was a net decrease of $5,344,684 in revenue requirement due to the following adjustments and corrections:

- ROE and Capital Structure (See Part V(D)) – Decreased by $4,691,251
- Updated Receiving Station Allocation (See Part V(P)) – Decreased by $427,023
- IPP Prepayment Adjustment (See Part V(T)(1)) – No impact
- IPP Minimum Cost Adjustment (See Part V(T)(2)) – No impact
- Apex Purchased Transmission Reclassified to Production (See Part V(T)(3)) – No impact
- OATT Model Cell Formula Corrections (See Part V(T)(4)) – Decreased by $226,411

In addition, the rate divisor increased from 5,509 to 6,594 due to the change in methodology from 12-CP to 4-CP (See Part V(B)). The increase in the rate divisor significantly reduced the rate and purchase obligation percentage.

The following table summarizes the changes to Schedule 6:

Schedule 6	As Filed 04/01/2022	Adjusted and Corrected 07/06/2023	Increase (Decrease)
Adj. Revenue Requirement (After Rev Credits)	$265,526,501	$260,181,816	$(5,344,684)
Rate Divisor (MW)	5,509	6,594	1,085
Rate ($/kW - Month)	$4.016	$3.288	$(0.728)
Supplemental Reserve Purchase Obligation (MW)	300	300	-
Supplemental Reserve Purchase Obligation %	5.445%	4.549%	-0.896%

10. Schedules 7 & 8 – Long-term, Short Term Firm, and Non-firm Transmission

(a) LADWP Proposal

The April 1 Proposal proposed a rate of $5.237 per kW-month.

(b) General Manager's Decision

The General Manager recommends a rate of $4.136 per kW-month. The rate changed because of various adjustments and corrections that impacted the revenue requirement and rate divisor and ultimately, the rate calculation. Specifically, there was a net decrease of $18,946,410 in revenue requirement due to the following adjustments and corrections:

- ROE and Capital Structure (See Part V(D)) – Decreased by $4,922,126
- Updated Receiving Station Allocation (See Part V(P)) – Increased by $1,930,654
- IPP Prepayment Adjustment (See Part V(T)(1)) – Increased by $16,268
- IPP Minimum Cost Adjustment (See Part V(T)(2)) – No impact
- Apex Purchased Transmission Reclassified to Production (See Part V(T)(3)) – Decreased by $16,074,715
- OATT Model Cell Formula Corrections (See Part V(T)(4)) – Increased by $103,509

In addition, the rate divisor increased from 5,509 to 6,594 due to the change in methodology from 12-CP to 4-CP (See Part V(B)). The increase in the rate divisor significantly reduced the rate.

The following table summarizes the changes to Schedule 7 and 8:

Schedule 7&8	As Filed 04/01/2022	Adjusted and Corrected 07/06/2023	Increase (Decrease)
Adj. Revenue Requirement (After Rev Credits)	$346,224,908	$327,278,498	$(18,946,410)
Rate Divisor (MW)	5,509	6,594	1,085
Rate ($/kW – Month)	$5.237	$4.136	$(1.101)

11. Schedule 10 – Generator Regulation and Frequency Response

(a) LADWP Proposal

The April 1 Proposal proposed a rate of $13.837 per kW-month with a 14.272% purchase obligation for variable resources and a 2.256% purchase obligation for dispatchable resources.

(b) General Manager's Decision

The General Manager recommends a rate of $11.606 per kW-month with a 14.727% purchase obligation for variable resources and a 1.885% purchase obligation for dispatchable resources. The rate changed because of various adjustments and corrections that impacted the revenue requirement and rate divisor and ultimately, the rate calculation. Specifically, there was a net increase of $3,620,112 in revenue requirement due to the following adjustments and corrections:

- ROE and Capital Structure (See Part V(D)) – Decreased by $9,294,240
- Updated Receiving Station Allocation (See Part V(P)) – Decreased by $1,078,245
- IPP Prepayment Adjustment (See Part V(T)(1)) – Decreased by $433,081
- IPP Minimum Cost Adjustment (See Part V(T)(2)) – Decreased by $1,559,549
- Apex Purchased Transmission Reclassified to Production (See Part V(T)(3)) – Increased by $15,962,017
- OATT Model Cell Formula Corrections (See Part V(T)(4)) – Increased by $23,210

In addition, the rate divisor increased from 5,509 to 6,594 due to the change in methodology from 12-CP to 4-CP (See Part V(B)). The increase in the rate divisor significantly reduced the rate and purchase obligation percentage. The purchase obligation percentage for Schedule 10A is unaffected.

The following tables summarizes the changes to Schedule 10A and 10B:

Schedule 10A	As Filed 04/01/2022	Adjusted and Corrected 07/06/2023	Increase (Decrease)
Adj. Revenue Requirement (After Rev Credits)	$914,779,469	$918,399,581	$3,620,112
Rate Divisor (MW)	5,509	6,594	1,085
Rate ($/kW – Month)	$13.837	$11.606	$(2.231)
Generator RFR Purchase Obligation (MW)	206.8	206.8	-
Purchase Obligation	14.272%	14.272%	-

Schedule 10B	As Filed 04/01/2022	Adjusted and Corrected 07/06/2023	Increase (Decrease)
Adj. Revenue Requirement (After Rev Credits)	$914,779,469	$918,399,581	$3,620,112
Rate Divisor (MW)	5,509	6,594	1,085
Rate ($/kW – Month)	$13.837	$11.606	$(2.231)
RFR Purchase Obligation (MW)	124.3	124.3	-
RFR Purchase Obligation %	2.256%	1.885%	-0.371%

PART VI: DECISION ON DISPUTED NON-RATE ISSUES RAISED IN STAKEHOLDER COMMENTS

Part IV "Description of LADWP's Proposed Tariff Revisions," above, summarizes LADWP's proposed rate changes. This section discusses the non-rate aspects of LADWP's Tariff Revisions that are disputed by stakeholders, and the General Manager's decision on those matters. The undisputed non-rate portions of LADWP's Tariff Revisions are deemed accepted and supported by LADWP.

A. Non-Rate Changes (Excluding Attachment O)

1. Stakeholder Comments

The Cities commented that certain provisions of LADWP's OATT are inconsistent with and not superior to the FERC's *pro forma* OATT:

1. Section 11.4 of LADWP's proposed Large Generator Interconnection Agreement ("LGIA") fails to provide Interconnection Customers transmission billing credits when they pay for Network Upgrades;
2. The "Dispute Resolution Procedures" in Sections 12.1 and 12.2 of LADWP's proposed Tariff are overly restrictive and do not afford Tariff Customers sufficient due process;
3. The "Determination of Available Transfer Capability" ("ATC") in Sections 15.2 and 15.3 of LADWP's proposed Tariff does not require LADWP to provide an ATC study; rather, LADWP merely notifies the Transmission Customer that a study needs to be done and the Transmission Customer must agree to pay for it before the study will be provided;
4. The "Extensions for Commencement of Service" in Section 17.7 of LADWP's proposed Tariffs unduly restrictive because LADWP only allows for two one-year extensions, while the *pro forma* OATT allows for five one-year extensions; and

5. The "Notice of Need for System Impact Study" in Sections 19.1 and 19.4 of LADWP's OATT inappropriately require the Transmission Customer to submit a deposit with its request.[192]

1. General Manager's Decision

The General Manager addresses the comments from the Cities as follows:

LADWP has not proposed revisions to section 11.4 of the LGIA or sections 12.1, 12.2, 17.7, and 19.4 of the LGIP.

The proposed substantive amendment to section 19.1 of the LGIP would no longer require the Transmission Customer to reimburse LADWP for any System Impact Study costs that exceed the study deposit. According to the testimony of Arevik Petrosyan, LADWP's proposed modifications would align section 19.1 with FERC's *pro forma* OATT. However, the Cities take issue with the requirements in sections 19.1 and 19.4 that the Transmission Customer submit deposits with its request for a System Impact Study and/or a Facilities Study, respectively.

The testimony of Arevik Petrosyan states that the proposed revisions more closely align sections 15.2 and 15.3 of LADWP's LGIP with the FERC *pro forma* OATT, and the Cities' comments do not address the proposed revisions at issue in this proceeding.

The Cities' comments relate to tariff provision adopted by the City Council in 2014,[193] and constitute time-barred, collateral attacks on the City Council's prior decisions.[194] Therefore, the General Manager is dismissing these comments as out-of-scope. In the event the Cities desire to pursue the issues raised in their comments, the Cities may in a different forum that is separate from this proceeding, petition LADWP to consider these and other issues for future revisions to the LADWP Tariff.

The General Manager accepts LADWP's proposed non-rate changes as supported and as being superior to the existing processes. More specifically, the General Manager recognizes that transitioning the generator interconnection process from a serial to cluster process is superior to the serial process and is consistent with FERC's Orders in *PacifiCorp*, Docket No. ER20-924-000),[195] and other utilities in the Western Interconnection. Additionally, the General Manager recognizes that LADWP has included updates and revisions to the generator interconnection procedures proposed by PacifiCorp on January 18, 2022 in Docket No. ER22-834-000, and have been accepted by FERC.[196] Since LADWP began its stakeholder process FERC issued Order No. 2023[197] transforming the interconnection process form serial to a cluster, first-ready, first served

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[192] The Burbank and Glendale Comments at 338-39.

[193] Ordinance 183143 approving OATT (BP 01-017, Amendment No. 1) (July 1, 2014).

[194] *See supra* note 183.

[195] *PacifiCorp*, 171 FERC ¶ 61,112 (2020).

[196] *PacifiCorp*, Letter Order, Docket No. ER22-834-000 (issued Oct. 28, 2022).

[197] *Improvement to Generators Interconnection Procedures and Agreements*, Order No. 2023, 184 FERC ¶ 61,054, *reh'g denied*, 184 FERC ¶ 62,163, *set aside in part*, 185 FERC ¶ 61,063 (2023).

process. The General Manager finds consistent with the actions of FERC in *Arizona Public Service Company* (Docket No. ER23-2398-000),[198] that LADWP's proposed changes to the generator interconnection process are independent of FERC Order No. 2023 and the proposed interconnection reforms will allow LADWP to address the backlogs in its interconnection process more effectively, reducing study time by discouraging speculative interconnection projects, and better alignment of study timelines.

B. Non-Rate Changes – Attachment O – Energy Imbalance Market

1. Comments Received

In summary, the Cities protest Attachment O as follows:

1. LADWP's refusal to allow the Cities to use their Transmission Service Agreements ("TSAs") to participate in EIM will cause significant financial and environmental harm to the Cities' and LADWP's ratepayers by reducing their access to low-cost, renewable generation from the EIM;
2. LADWP's refusal to allow the Cities to use their TSAs to participate in EIM violates Attachment O to its OATT and established FERC precedent, which allows entities like the Cities to participate in EIM using non-OATT transmission;
3. Because LADWP uses its non-OATT transmission to balance its own load, generation resources and interchange in the EIM, LADWP's refusal to allow the Cities to do the same using their TSAs is unduly discriminatory and preferential in violation of the FPA and established FERC precedent; and
4. LADWP does not have sufficient ATC to allow the Cities to use only LADWP OATT transmission service to fully participate in EIM, so the Cities must use their TSA transmission to participate in EIM or be illegally foreclosed from that market.

2. General Manager's Decision

The Cities' comments do not relate to LADWP's proposed changes to Attachment O. Accordingly, the Cities' comments about these provisions are not within the scope of this proceeding. Rather, the Cities' comments relate to LADWP's 2020 tariff revision proceedings adopted by the City Council in June 2020.[199] Accordingly, these comments constitute time-barred, collateral attacks on the City Council's prior decisions.[200] Therefore, the General Manager is dismissing these comments as out-of-scope. In the event the Cities desire to pursue the issues raised in their comments, the Cities may in a different forum that is separate from this proceeding, petition LADWP to consider these and other issues for future revisions to the LADWP OATT.

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[198] *See Ariz. Pub. Serv. Co.*, 184 FERC ¶ 61,188 (2023).

[199] *See supra* note 182.

[200] *See supra* note 183.

PART VII: EFFECTIVE DATE

The proposed Tariff Revisions specified in this General Manager's Certificate, if approved by the Board and City Council, shall: (1) become effective on the first day of the month, following the date of City Council approval (the "Effective Date"), and (2) be incorporated into all current and future transmission service agreements as of the Effective Date.[201]

PART VIII: ATTACHMENTS

Attached to the Certificate are the following:

Attachment A: Administrative Record

Attachment B: Clean version of LADWP's OATT, including proposed changes (in PDF format)

Attachment C: Redline version of LADWP's OATT, marked to show changes against its current OATT, inclusive of the proposed changes (in PDF format)

Attachment D: Redline of the final proposed changes against the changes contained in the April 1 Proposal

Attachment E: Final Cost of Service Model

PART IX: GENERAL MANAGER RECOMMENDATIONS AND CERTIFICATION

For the reasons discussed herein, the General Manager finds that the proposed OATT revisions establish terms and conditions of service that are comparable to those under which LADWP provides transmission and ancillary services to itself and that are not unduly discriminatory or preferential. Furthermore, the General Manager certifies that the proposed rates were developed using traditional principles, processes, and procedures of cost-of-service rate making. However, the General Manager is, in several instances, electing to forego the full rate increases permitted by the aforementioned conventional methods in favor of more gradual adjustments, offering a smoother transition for ratepayers.

[201] *Mw. Indep. Transmission Sys. Operator, Inc.*, 142 FERC ¶ 61,215 at PP 176-78 (2013) ("where the terms of an agreement would, if approved, be incorporated into the service agreements of all present and future customers, those terms are properly classified as tariff rates and the Mobile-Sierra presumption would not apply."), *order on reh'g*, 147 FERC ¶ 61,127 (2014), *order on reh'g*, 150 FERC ¶ 61,037 (2015).

This General Manager's Certificate along with its Attachments will be provided for consideration to the Board and City Council.[202]

Dated this 17th day of April 2024.

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES

By: _____

MARTIN L. ADAMS
General Manager and Chief Engineer

[202] Tariff Change Procedures § 12.

Attachment A

Administrative Record

The following documents constitute all the documents that are part of the administrative record upon which the General Manager based his decision.

PUBLIC DOCUMENTS (FOUND ON OASIS)

LADWP 2022 OATT Stakeholder Process (Folder)

- 2022 03 15 Advanced Announcement of Major Tariff Change
- 2022 04 01 - a - General Managers Notice
- 2022 04 01 APPENDIX A - REDLINE OATT
- 2022 04 01 APPENDIX B - CLEAN OATT
- 2022 04 01 APPENDIX C DWP-100 et seq (Cohen et al)
- 2022 04 01 APPENDIX C DWP-101 (OATT Rate Model)
- 2022 04 01 APPENDIX C DWP-200 et seq (Riegle)
- 2022 04 01 APPENDIX C DWP-300 et seq (Hughes)
- 2022 04 01 APPENDIX C DWP-400 et seq (Abadi)
- 2022 04 01 APPENDIX C DWP-500 et seq (Tripp)
- 2022 04 01 APPENDIX C DWP-600 (Petrosyan)
- 2022 04 01 APPENDIX C DWP-700 (Woramali)
- 2022 04 01 APPENDIX C DWP-800 (Obiang)
- 2022 04 01 Instructions and format for submitting data requests to LADWP
- 2022 04 01 Non-disclosure Agreement Superseded
- 2022 04 21 LADWP Non-disclosure Agreement Effective
- 2022 04 21 LADWP Stakeholder Meeting 04202022
- 2022 04 25 Notice of May 5 2022 Technical Conference for Stakeholders
- 2022 05 05 Am 5 Notice - Schedule Change
- 2022 05 05 - 04.21.22 OATT Meeting Attendee List
- 2022 05 05 - 05.05.22 OATT Technical Conference Meeting Attendee List
- 2022 05 11 042122_Transcript_LADWP_OATT_Stakeholder_Meeting
- 2022 05 11 050522_Transcript_OATT_Technical_Conference_for_Stakeholders
- 2022 05 11 Notice of Corrections to DWP-500 and 501 and DWP-101 (10.11)
- 2022 05 13 05.12.22 OATT Meeting 2 Attendee List
- 2022 05 13 Transcript AM Session LADWP OATT Stakeholder Meeting 2022-05-12
- 2022 05 13 Transcript PM Session LADWP OATT Stakeholder Meeting_2022-05-12
- 2022 09 22 Am 5 Notice - Schedule Change
- 2023 01 13 Am 5 Notice - Schedule_Change (01.13.2023)
- 2023 03 09 BWP-GWP Comments on LADWP 2022 OATT Update - Final submission to LADWP 2-22-23 (PUBLIC)
- 2023 03 09 Exhibit BWP-GWP-100 - Peters Testimony (PUBLIC)
- 2023 03 09 Exhibit BWP-GWP-200 - Gilbertson-Rhorer Testimony (PUBLIC)
- 2023 03 09 Exhibit BWP-GWP-300 - Eveland-Wenzinger Testimony (PUBLIC)
- 2023 03 09 Powerex_Brief_-_LADWP_2022_Rate_Proceeding 2.22.23

- 2023 03 30 OATT Am 5 Stakeholder Process Schedule (Updated 3-30-23)

Responses to Data Request - 5.2.22 (Folder)

- BG-1-01
- BG-1-01 Attachment 1 of 3
- BG-1-01 Attachment 2 of 3
- BG-1-02
- BG-1-03
- BG-1-04
- BG-1-05
- BG-1-06
- BG-1-06 Attachment 1 of 1
- BG-1-07
- BG-1-08
- BG-1-09 Attachment 1 of 1
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- BG-1-23 Attachment 1 of 1
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- BG-1-35 Attachment 1 of 7
- BG-1-35 Attachment 2 of 7

- BG-1-35 Attachment 3 of 7
- BG-1-35 Attachment 4 of 7
- BG-1-35 Attachment 5 of 7
- BG-1-35 Attachment 6 of 7
- BG-1-35 Attachment 7 of 7
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- BG-1-50 Attachment 1 of 1
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- BG-1-57
- BG-1-58 Attachment 1 of 3
- BG-1-58 Attachment 2 of 3
- BG-1-58 Attachment 3 of 3
- BG-1-58

Responses to Data Request - 5.3.22 (Folder)

- BG-2-59
- BG-2-62
- BG-2-66
- BG-2-67
- BG-2-69
- BG-2-71
- BG-2-74
- BG-2-75
- BG-2-76 Attachment 1 of 1
- BG-2-76

Responses to Data Request - 5.4.22 (Folder)

- BG-3-82
- BG-3-86
- BG-3-87
- BG-4-94
- BG-4-95

Responses to Data Request - 5.6.22 (Folder)

- PWX-01-01
- PWX-01-02
- PWX-01-03
- PWX-01-03 Attachment 1 of 1
- PWX-01-04
- PWX-01-05
- PWX-01-10
- PWX-01-11

Responses to Data Request – 5.9.22 (Folder)

- BG-03-84
- BG-03-85
- BG-03-85 Attachment 1 of 2
- BG-03-85 Attachment 2 of 2
- BG-04-91 Attachment 1 of 3
- BG-04-91 Attachment 2 of 3
- BG-04-91 Attachment 3 of 3
- BG-04-91

Responses to Data Request - 5.10.22 (Folder)

- BG-04-88
- BG-04-90
- BG-04-92
- BG-04-93
- BG-04-96
- BG-04-97
- BG-05-103
- BG-06-108
- BG-07-138
- PWX-01-06
- PWX-01-07
- PWX-01-09
- PWX-01-13

Responses to Data Request - 5.12.22 (Folder)

- BG-09-175 (Updated)

Responses to Data Request - 5.13.22 (Folder)

- PWX-01-08

- PWX-01-12

Responses to Data Request - 5.20.22 (Folder)

- BG-02-60
- BG-02-61
- BG-02-65
- BG-02-77
- BG-05-101
- BG-06-120
- BG-06-122
- BG-07-140
- BG-09-168 - Attachment 1 of 12
- BG-09-168 - Attachment 2 of 12
- BG-09-168 - Attachment 3 of 12
- BG-09-168 - Attachment 4 of 12
- BG-09-168 - Attachment 5 of 12
- BG-09-168 - Attachment 6 of 12
- BG-09-168 - Attachment 7 of 12
- BG-09-168 - Attachment 8 of 12
- BG-09-168 - Attachment 9 of 12
- BG-09-168 - Attachment 10 of 12
- BG-09-168 - Attachment 11 of 12
- BG-09-168 - Attachment 12 of 12
- BG-09-168
- BG-09-169
- BG-09-170
- BG-10-200
- BG-11-220
- BG-12-252
- BG-12-253
- BG-12-266
- BG-12-270 - Attachment 1 of 1
- BG-12-270
- BG-13-272
- BG-13-276
- BG-13-278
- BG-13-281

Responses to Data Request - 5.27.22 (Folder)

- BG-02-63
- BG-06-112
- BG-06-113
- BG-06-114
- BG-06-115
- BG-06-116
- BG-06-117
- BG-06-118

- BG-06-119
- BG-06-121
- BG-06-123
- BG-06-124
- BG-06-125
- BG-06-127
- BG-07-135 Attachment 1 of 1
- BG-07-135
- BG-07-136
- BG-07-137
- BG-07-141
- BG-07-142
- BG-08-143
- BG-08-144
- BG-08-145
- BG-08-162
- BG-08-165
- BG-09-171
- BG-09-172
- BG-09-177
- BG-10-181 - Attachment 1 of 1
- BG-10-181
- BG-10-187
- BG-11-216
- BG-12-248
- BG-12-250
- BG-12-251
- BG-12-258
- BG-13-279
- BG-13-284
- BG-13-285
- BG-14-295
- May 27 2022 Notice of Certain Modifications to DWP-100 and DWP-101.pdf

Responses to Data Request - 6.3.22 (Folder)

- BG-02-70
- BG-03-83
- BG-07-134
- BG-08-149
- BG-09-166 Attachment 1 of 6
- BG-09-166 Attachment 2 of 6
- BG-09-166 Attachment 3 of 6
- BG-09-166 Attachment 4 of 6
- BG-09-166 Attachment 5 of 6
- BG-09-166 Attachment 6 of 6
- BG-09-166
- BG-09-167 - Attachment 01 of 13 - July 2019 Invoices

- BG-09-167 - Attachment 02 of 13 - August 2019 Invoices
- BG-09-167 - Attachment 03 of 13 - September 2019 Invoices
- BG-09-167 - Attachment 04 of 13 - October 2019 Invoices
- BG-09-167 - Attachment 05 of 13 - November 2019 Invoices
- BG-09-167 - Attachment 06 of 13 - December 2019 Invoices
- BG-09-167 - Attachment 07 of 13 - January 2020 Invoices
- BG-09-167 - Attachment 08 of 13 - February 2020 Invoices.
- BG-09-167 - Attachment 09 of 13 - March 2020 Invoices
- BG-09-167 - Attachment 10 of 13 - April 2020 Invoices
- BG-09-167 - Attachment 11 of 13 - May 2020 Invoices
- BG-09-167 - Attachment 12 of 13 - June 2020 Invoices
- BG-09-167 - Attachment 13 of 13 - Board Resolution 019 095
- BG-09-167
- BG-10-180
- BG-12-256 - Attachment 01 of 02 - Purchased Power
- BG-12-256 - Attachment 02 of 02 JV-08-00108 - JV-08-91208_Redacted
- BG-12-256
- BG-12-257 - Attachment 01 of 02 - Purchased Transmission Expenses
- BG-12-257 - Attachment 02 of 02 - SCE Transmission July 2019 - June 2020_Redacted
- BG-12-257

Responses to Data Request - 6.10.22 (Folder)

- BG-06-126
- BG-07-134
- BG-10-185
- BG-14-304
- BG-15-311 - Attachment 1 of 3 - Audited FS FY11-12
- BG-15-311 - Attachment 2 of 3 - Audited FS FY12-13
- BG-15-311 - Attachment 3 of 3 - Audited FS FY13-14
- BG-15-311
- BG-15-312 - Attachment 1 of 3 - Financial Metric Calculations
- BG-15-312 - Attachment 2 of 3 - Resolution May 2014
- BG-15-312 - Attachment 3 of 3 - Resolution May 2020
- BG-15-312
- BG-15-317
- PX-02-15
- PX-02-16

Responses to Data Request - 6.17.22 (Folder)

- BG-03-78
- BG-03-79
- BG-03-80
- BG-03-81 - Attachment 1 of 7 - Peak_Load_Forecast_2014-2020
- BG-03-81 - Attachment 2 of 7 - Final 2014 Retail Sales and Demand Forecast Signed 05092014
- BG-03-81 - Attachment 3 of 7 - October 2015 Peak
- BG-03-81 - Attachment 4 of 7 - October 2016 Retail Sales Chartbook_6-24-2016

- BG-03-81 - Attachment 5 of 7 - Preliminary 2017 Load Forecast_6-5-2017
- BG-03-81 - Attachment 6 of 7 - 2018 Load Forecast_Final
- BG-03-81 - Attachment 7 of 7 - 2019 Retail Electric Sales and Demand Forecast_Signed
- BG-03-81
- BG-05-98
- BG-05-99 - Attachment 1 of 2 - Long Term OATT TSA
- BG-05-99 - Attachment 2 of 2 - Short Term Transmission Customer Summary
- BG-05-99
- BG-05-100
- BG-05-102
- BG-05-105
- BG-05-107
- BG-07-132
- BG-07-139
- BG-08-146
- BG-08-147
- BG-08-158
- BG-10-183
- BG-10-184
- BG-10-196
- BG-10-214
- BG-11-221
- BG-11-222
- BG-11-223
- BG-11-244
- BG-12-264
- BG-12-265
- BG-12-267
- BG-12-271
- BG-13-273
- BG-13-275
- BG-13-275 - Attachment 1 of 3 - Power Fund Payments FY19-20
- BG-13-275 - Attachment 2 of 3 - IPA Invoices
- BG-13-275 - Attachment 3 of 3 - SCPPA Invoices pt. 1
- BG-13-275 - Attachment 3 of 3 - SCPPA Invoices pt. 2
- BG-13-282
- BG-14-296
- BG-14-303
- BG-16-344 - Attachment 1 of 1 - FY 19-20 Debt Service
- BG-16-344
- BG-17-365
- BG-17-366

Responses to Data Request - 6.27.22 (Folder)

- BG-02-72
- BG-02-73
- BG-08-148

- BG-08-160
- BG-12-249 - Attachment 1 of 1 - Native Load Implementation 20181105
- BG-12-249 - Attachment 2 of 2 - Native Load OASIS Suggestions Table 2 Release 20190122
- BG-12-249
- BG-12-260 - Attachment 1 of 1
- BG-12-260
- BG-14-302
- BG-15-310
- BG-15-319
- BG-15-320
- BG-15-321
- BG-15-323
- BG-15-329
- BG-17-358
- BG-17-359
- BG-17-362 - Attachment 1 of 1 - Power Financial Metrics Board Resolution Sept 2012
- BG-17-362
- BG-17-363
- BG-17-373
- BG-17-374

Responses to Data Request - 7.12.22 (Folder)

- BG-02-64
- BG-02-68 - Attachment 1 of 1
- BG-02-68
- BG-04-89 - Attachment 01 of 15
- BG-04-89 - Attachment 02 of 15
- BG-04-89 - Attachment 03 of 15
- BG-04-89 - Attachment 04 of 15
- BG-04-89 - Attachment 05 of 15
- BG-04-89 - Attachment 06 of 15
- BG-04-89 - Attachment 07 of 15
- BG-04-89 - Attachment 08 of 15
- BG-04-89 - Attachment 09 of 15
- BG-04-89 - Attachment 10 of 15
- BG-04-89 - Attachment 11 of 15
- BG-04-89 - Attachment 12 of 15
- BG-04-89 - Attachment 13 of 15
- BG-04-89 - Attachment 14 of 15
- BG-04-89
- BG-05-104 - Attachment 1 of 2 - Long Term OATT TSA for FY19-20_6.29.22
- BG-05-104 - Attachment 2 of 2 - FY19-FY20 Short Term Transmission Customer Summary
- BG-05-104
- BG-06-109
- BG-06-111

- BG-07-128
- BG-07-133
- BG-08-150
- BG-08-151 - Attachment 1 of 1
- BG-08-151
- BG-08-152
- BG-08-153 - Attachment 01 of 12 - data July 2019
- BG-08-153 - Attachment 02 of 12 - data August 2019
- BG-08-153 - Attachment 03 of 12 - data August 2019
- BG-08-153 - Attachment 04 of 12 - data August 2019
- BG-08-153 - Attachment 05 of 12 - data November 2019
- BG-08-153 - Attachment 06 of 12 - data December 2019
- BG-08-153 - Attachment 07 of 12 - data January 2020
- BG-08-153 - Attachment 08 of 12 - data February 2020
- BG-08-153 - Attachment 09 of 12 - data March 2020
- BG-08-153 - Attachment 10 of 12 - data April 2020
- BG-08-153 - Attachment 11 of 12 - data May 2020
- BG-08-153 - Attachment 12 of 12 - data June 2020
- BG-08-153
- BG-08-155 - Attachment 1 of 1 EIM Scheduling of Reserves 04-01-21 to 06-30-21 Confidential
- BG-08-155
- BG-08-156
- BG-08-157
- BG-08-159
- BG-08-161
- BG-09-173
- BG-09-188
- BG-10-197
- BG-10-199
- BG-10-201
- BG-10-202
- BG-10-203 - Attachment 1 of 1
- BG-10-203
- BG-10-204
- BG-10-208
- BG-10-211
- BG-10-212
- BG-10-213
- BG-12-268
- BG-14-308
- BG-18-377 - Attachment 1 of 4 - IPP JV Detail Sample
- BG-18-377 - Attachment 2 of 4 - IPP Operating Agent Invoice sample
- BG-18-377 - Attachment 3 of 4 - IPP Renewal Project Invoice sample
- BG-18-377 - Attachment 4 of 4 - Memo_IPP FY19-20 Proposed
- BG-18-377

- BG-18-378
- BG-18-379 - Attachment 1 of 5 - SCPPA JV Detail July 2019
- BG-18-379 - Attachment 2 of 5 - MA IC-21-22265
- BG-18-379 - Attachment 3 of 5 - MP IC-21-22263
- BG-18-379 - Attachment 4 of 5 - PV IC-21-22262
- BG-18-379 - Attachment 5 of 5 - STS IC-21-22264
- BG-18-379
- BG-18-391
- BG-18-398

Responses to Data Request - 7.28.22 (Folder)

- BG-07-129
- BG-09-179 - Attachment 1 of 17 - Beacon battery hourly SCADA FY19-20
- BG-09-179 - Attachment 2 of 17 - Beacon battery_5-min_DOT_20210401_20210430
- BG-09-179 - Attachment 3 of 17 - Beacon battery_5-min_DOT_20210501_20210531
- BG-09-179 - Attachment 4 of 17 - Beacon battery_5-min_DOT_20210601_20210630
- BG-09-179 - Attachment 5 of 17 - Beacon battery_5-min_DOT_20210701_20210731
- BG-09-179 - Attachment 6 of 17 - Beacon battery_5-min_DOT_20210801_20210831
- BG-09-179 - Attachment 7 of 17 - Beacon battery_5-min_DOT_20210901_20210930
- BG-09-179 - Attachment 8 of 17 - Beacon battery_5-min_DOT_20211001_20211031
- BG-09-179 - Attachment 9 of 17 - Beacon battery_5-min_DOT_20211101_20211130
- BG-09-179 - Attachment 10 of 17 - Beacon battery_5-min_DOT_20211201_20211231
- BG-09-179 - Attachment 11 of 17 - Beacon battery_5-min_DOT_20220101_20220131
- BG-09-179 - Attachment 12 of 17 - Beacon battery_5-min_DOT_20220201_20220228
- BG-09-179 - Attachment 13 of 17 - Beacon battery_5-min_DOT_20220301_20220331
- BG-09-179 - Attachment 14 of 17 - Beacon battery_5-min_DOT_20220401_20220430
- BG-09-179 - Attachment 15 of 17 - Beacon battery_5-min_DOT_20220501_20220531
- BG-09-179 - Attachment 16 of 17 - Beacon battery_5-min_DOT_20220601_20220627
- BG-09-179 - Attachment 17 of 17 - Beacon Base Schedule LAWM_20210401_20220627
- BG-09-179
- BG-10-189
- BG-10-190
- BG-10-198
- BG-10-205
- BG-10-208 (Revised)
- BG-11-215
- BG-11-217
- BG-11-225
- BG-11-227
- BG-11-228
- BG-11-229
- BG-11-230
- BG-11-232
- BG-11-234
- BG-18-381 - Attachment 1 of 12 - LT Transmission July 2019
- BG-18-381 - Attachment 2 of 12 - LT Transmission August 2019
- BG-18-381 - Attachment 3 of 12 - LT Transmission September 2019

- BG-18-381 - Attachment 4 of 12 - LT Transmission October 2019
- BG-18-381 - Attachment 5 of 12 - LT Transmission November 2019
- BG-18-381 - Attachment 6 of 12 - LT Transmission December 2019
- BG-18-381 - Attachment 7 of 12 - LT Transmission Jan 2020
- BG-18-381 - Attachment 8 of 12 - LT Transmission Feb 2020
- BG-18-381 - Attachment 9 of 12 - LT Transmission Mar 2020
- BG-18-381 - Attachment 10 of 12 - LT Transmission Apr 2020
- BG-18-381 - Attachment 11 of 12 - LT Transmission May 2020
- BG-18-381 - Attachment 12 of 12 - LT Transmission June 2020
- BG-18-381

Response to Data Requests - 8.10.22 (Folder)

- BG-06-110
- BG-07-130
- BG-07-131
- BG-10-191
- BG-10-192 - Attachment 1 of 2 - 2015-2020 ES-2 Mitigation Assessment TYP
- BG-10-192 - Attachment 2 of 2 - Transmission Plant Summary GL Data FY1415-1920
- BG-10-192
- BG-10-209
- BG-10-210
- BG-11-236
- BG-11-237
- BG-11-243
- BG-11-245
- BG-12-247
- BG-12-255
- BG-12-259
- BG-12-261
- BG-12-262
- BG-12-263
- BG-13-273 - Attachment 1 of 13 - Apex Power PSA
- BG-13-274
- BG-13-283
- BG-14-286
- BG-14-287
- BG-14-294
- BG-14-298
- BG-14-307
- BG-18-399

Responses to Data Request - 8.29.22 (Folder)

- BG-05-106
- BG-08-154 - Attachment 1 of 4 - data jul19-sep19
- BG-08-154 - Attachment 2 of 4 - data oct19-dec19
- BG-08-154 - Attachment 3 of 4 - data jan20-mar20
- BG-08-154 - Attachment 4 of 4 - data apr20-jun20

- BG-08-154
- BG-08-163
- BG-09-174
- BG-09-176 - Attachment 1 of 1 - LADWP EIM Agreement
- BG-09-176
- BG-09-178
- BG-09-179 (Revised)
- BG-10-182
- BG-10-186
- BG-10-193
- BG-10-194
- BG-10-195
- BG-10-206
- BG-10-207
- BG-10-208 (2nd Revised)
- BG-10-210 (Revised)
- BG-11-218
- BG-11-219
- BG-11-224
- BG-11-226
- BG-11-231
- BG-11-233
- BG-11-235
- BG-11-238
- BG-11-239
- BG-11-240
- BG-11-241
- BG-11-242
- BG-11-246
- BG-12-254 - Attachment 1 of 1 - IPP Power Sales Contract 10437
- BG-12-254
- BG-12-269
- BG-13-277
- BG-14-288
- BG-14-289
- BG-14-290
- BG-14-291
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- BG-15-334
- BG-16-339
- BG-16-340
- BG-16-341
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- BG-17-346
- BG-17-348
- BG-17-349
- BG-17-351
- BG-17-375

Responses to Data Request - 9.16.22 (Folder)

- BG-08-164
- BG-13-280
- BG-16-335
- BG-16-336
- BG-16-337
- BG-16-338
- BG-16-342
- BG-16-343
- BG-17-347
- BG-17-350 - Attachment 1 of 1 - ROE Model
- BG-17-350
- BG-17-352
- BG-17-353
- BG-17-354
- BG-17-355
- BG-17-356
- BG-17-357
- BG-17-360
- BG-17-361
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- BG-18-389
- BG-18-390
- BG-18-392
- BG-18-400
- BG-18-401
- BG-18-402
- BG-18-403
- BG-18-404
- BG-19-405
- BG-19-406
- BG-19-407
- PWX-02-14
- PWX-03-17

Responses to Data Request - 1.1.23 (Folder)

- BG-20-408
- BG-20-409
- BG-20-410
- BG-20-411
- BG-20-412
- BG-20-413
- BG-20-414
- BG-20-415
- BG-20-416
- BG-20-417
- BG-20-418
- BG-20-419
- BG-20-420
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- BG-20-423
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- BG-20-425
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- BG-20-428
- BG-20-429
- BG-20-430
- BG-20-431
- BG-20-432
- BG-20-433
- BG-20-434
- BG-20-435
- BG-20-436
- BG-20-437
- BG-20-438
- BG-20-439
- BG-20-440 Attachment A, Generation Ratings and Capacities of Power Sources (20-21) FINAL
- BG-20-440
- BG-20-441
- BG-20-442
- BG-20-443
- BG-20-444
- BG-20-445 Attachment 1 of 2 - V2
- BG-20-445 Attachment 2 of 2 Apex OverUnderBill
- BG-20-445
- BG-20-446
- BG-20-447
- BG-20-448
- BG-20-449
- BG-20-450
- BG-20-451
- BG-20-452
- BG-20-453
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- BG-20-466
- BG-20-467

- BG-20-468
- BG-20-469
- BG-20-470
- BG-20-471
- BG-20-472
- BG-20-473 Attachment ciii-G
- BG-20-473 Attachment ciii-K
- BG-20-473 Attachment cii-M&A Columns L and M
- BG-20-473
- BG-20-474
- BG-20-475
- BG-20-476
- BG-20-477
- BG-20-478
- BG-20-479
- BG-20-480
- BG-20-481
- BG-20-482
- BG-20-483
- BG-20-484
- BG-20-485
- BG-20-486
- BG-20-487
- BG-20-488
- BG-20-489

NON-PUBLIC DOCUMENTS – CRITICAL ENERGY INFRASTRUCTURE INFORMATION

- BG-02-64 - PRIV Attachment 1 of 5 - FY 19-20 Part 1 Confidential
- BG-02-64 - PRIV Attachment 2 of 5 - FY 19-20 Part 2 Confidential
- BG-02-64 - PRIV Attachment 3 of 5 - EIA-860 3_1_Generator_Y2020
- BG-02-64 - PRIV Attachment 4 of 5 - FY1920_Outages – Confidential
- BG-02-64 - PRIV Attachment 5 of 5 - Unit Data – Confidential
- BG-04-89 - CEII - Attachment 15 of 15
- BG-10-190 - PRIV - Attachment 1 of 8 - Message_20220520135251A
- BG-10-190 - PRIV - Attachment 2 of 8 - Message_20220520141443B
- BG-10-190 - PRIV - Attachment 3 of 8 - Message_20220520141510C
- BG-10-190 - PRIV - Attachment 4 of 8 - Message_20220520141532D
- BG-10-190 - PRIV - Attachment 5 of 8 - Message_20220520141556E
- BG-10-190 - PRIV - Attachment 6 of 8 - Message_20220520141618F
- BG-10-190 - PRIV - Attachment 7 of 8 - Message_20220520141646G
- BG-10-190 - PRIV - Attachment 8 of 8 - Bids_10-01-2020 to 06-30-2021

- BG-10-195 - PRIV - Attachment 1 of 1
- BG-10-196 - PRIV Attachment 01 of 23 - 19HS3a_023
- BG-10-196 - PRIV Attachment 02 of 23 - 19HS3a_023_Case1_az-pge
- BG-10-196 - PRIV Attachment 03 of 23 - 19HS3a_023_Case2_az-caiso-load
- BG-10-196 - PRIV Attachment 04 of 23 - 19HS3a_023_Case3_az-glendale
- BG-10-196 - PRIV Attachment 05 of 23 - 19HS3a_023_Case4_az-burbank
- BG-10-196 - PRIV Attachment 06 of 23 - 19HS3a_023_Case5_npc-pge
- BG-10-196 - PRIV Attachment 07 of 23 - 19HS3a_023_Case6_npc-caiso-load
- BG-10-196 - PRIV Attachment 08 of 23 - 19HS3a_023_Case7_npc-glendale
- BG-10-196 - PRIV Attachment 09 of 23 - 19HS3a_023_Case8_npc-burbank
- BG-10-196 - PRIV Attachment 10 of 23- 19HS3a_023_Case9_sce-sdge
- BG-10-196 - PRIV Attachment 11 of 23 - 19HS3a_023_Case10_sierra-new
- BG-10-196 - PRIV Attachment 12 of 23 - 19HS3a_023_Case11_az-pace_pdci_step2
- BG-10-196 - PRIV Attachment 13 of 23 - 19HS3a_023_Case12_adl-tol500_n-1
- BG-10-196 - PRIV Attachment 14 of 23 - 19HS3a_023_Case13_la-sce_inyo-pst
- BG-10-196 - PRIV Attachment 15 of 23 - 19HS3a_023_Case14_mcc-mkt500_n-1
- BG-10-196 - PRIV Attachment 16 of 23 - 19HS3a_023_Case15_cry-mcc500_n-1
- BG-11-215 - PRIV - Attachment 1 of 1
- BG-11-242 - CEII - Attachment 1 of 25 - r1ea1 - St John
- BG-11-242 - CEII - Attachment 2 of 25 -r2ea1 – Century
- BG-11-242 - CEII - Attachment 3 of 25 -r3ea1 – Wilmington
- BG-11-242 - CEII - Attachment 4 of 25 -r4ea1 – Fairfax
- BG-11-242 - CEII - Attachment 5 of 25 -r5ea1 – Toluca
- BG-11-242 - CEII - Attachment 6 of 25 -r6ea1 – Velasco
- BG-11-242 - CEII - Attachment 7 of 25 -r7ea1 – Atwater
- BG-11-242 - CEII - Attachment 8 of 25 -r8ea1 – Hollywood
- BG-11-242 - CEII - Attachment 9 of 25 -r10ea1 – Northridge
- BG-11-242 - CEII - Attachment 10 of 25 -r11ea1 – Olympic
- BG-11-242 - CEII - Attachment 11 of 25 -r12ea1 - Scattergood Highside
- BG-11-242 - CEII - Attachment 12 of 25 -r12ea1 – Scattergood
- BG-11-242 - CEII - Attachment 13 of 25 -r13ea1 - Valley Highside
- BG-11-242 - CEII - Attachment 14 of 25 -r13ea1 – Valley
- BG-11-242 - CEII - Attachment 15 of 25 -r14ea1 – Airport
- BG-11-242 - CEII - Attachment 16 of 25 -r16ea1 – Market
- BG-11-242 - CEII - Attachment 17 of 25 -r17ea1 – Harbor
- BG-11-242 - CEII - Attachment 18 of 25 -r18ea1 - San Fernando
- BG-11-242 - CEII - Attachment 19 of 25 -r19ea1 - Van Nuys
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Clean version of LADWP's OATT, including proposed changes (in PDF format)

OPEN ACCESS

TRANSMISSION TARIFF

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I. COMMON SERVICE PROVISIONS

1 Definitions

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 the 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 the 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 load Interchange-generation balance within a BAA, 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 BA. The BA maintains load-resource balance within this area. For purposes of this Tariff, "BAA" shall have the same meaning as "Control Area."

1.7 Balancing Authority Area Resource:

A resource owned by LADWP, or voluntarily contracted for by LADWP to provide EIM Available Balancing Capacity, that can provide regulation and load following services to enable the LADWP EIM Entity to meet reliability criteria. No resource unaffiliated with the LADWP EIM Entity shall be a Balancing Authority Area Resource solely on the basis of one or more of the following reasons:

1. the resource is a Designated Network Resource;
2. the resource flows on a Point-to-Point Transmission Service reservation; and/or
3. the resource is an Interconnection Customer under the Tariff.

1.8 Bid Cost Recovery (BCR):

The MO EIM settlements process through which LADWP EIM Participating Resources recover their bid costs.

1.8A Bookout:

A transaction in which energy or capacity contractually committed bilaterally for delivery is not actually delivered due to some offsetting or countervailing trade.

1.9 California Independent System Operator Corporation (CAISO):

A state-chartered, California non-profit public benefit corporation that operates the transmission facilities of all CAISO participating transmission owners and dispatches certain generating units and loads. The CAISO is the MO for the EIM.

1.10 CAISO BAA or CAISO Controlled Grid:

The system of transmission lines and associated facilities of the CAISO participating transmission owners that have been placed under the CAISO's operational control.

1.11 Commission:

The Federal Energy Regulatory Commission.

1.12 Completed Application:

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

1.13 Control Area:

An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

1. match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
2. maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
3. maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
4. provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

1.14 Curtailment:

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

1.15 Delivering Party:

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

1.16 Designated Agent:

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

1.17 Direct Assignment Facilities:

Facilities or portions of facilities that are constructed by the 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 the Transmission Customer.

1.18 Dispatch Instruction:

An instruction by the MO for an action with respect to a specific LADWP EIM Participating Resource or Balancing Authority Area Resource for increasing or decreasing its energy supply or demand.

1.19 Dispatch Operating Point:

The expected operating point, in MW, of an LADWP EIM Participating Resource that has received a Dispatch Instruction from the MO or a Balancing Authority Area Resource to which the LADWP EIM Entity has relayed a Dispatch Instruction received from the MO. For purposes of Attachment O of this Tariff, the Dispatch Operating Point means the MW output, of

i. an LADWP EIM Participating Resource due to an EIM bid being accepted and the LADWP EIM Participating Resource receiving a Dispatch Instruction; or

ii. a Balancing Authority Area Resource for which a Dispatch Instruction has been issued by the CAISO with respect to EIM Available Balancing Capacity.

1.20 Dynamic Transfer:

The provision of the real-time monitoring, telemetering, computer software, hardware, communications, engineering, energy accounting (including inadvertent Interchange), and administration required to electronically move all or a portion of the real energy services associated with a generator or load out of one BAA into another. A Dynamic Transfer can be either:

1. a Dynamic Schedule: a telemetered reading or value that is updated in real time and used as a schedule in the AGC/ACE equation and the

integrated value of which is treated as an after-the-fact schedule for Interchange accounting purposes; or

2. a Pseudo-Tie: a functionality by which the output of a generating unit physically interconnected to the electric grid in a native BAA is telemetered to and deemed to be produced in an attaining BAA that provides BA services for and exercises BA jurisdiction over the generating unit.

1.21 e-Tag:

An electronic tag associated with a schedule in accordance with the requirements of the North American Electric Reliability Corporation (NERC), the Western Electricity Coordinating Council (WECC), or the North American Energy Standards Board (NAESB).

1.22 EIM:

The Energy Imbalance Market. The real-time market to manage transmission congestion and optimize procurement of imbalance energy (positive or negative) to balance supply and demand deviations for the EIM Area through economic bids submitted by EIM Participating Resource Scheduling Coordinators in the fifteen-minute and five-minute markets.

1.23 EIM Area:

The combination of LADWP EIM Entity BAA, the CAISO BAA, and the

BAAs of any other EIM Entities.

1.24 EIM Available Balancing Capacity:

Any upward or downward capacity from a Balancing Authority Area Resource that has not been bid into the EIM and is included in the LADWP EIM Entity's Resource Plan.

1.25 EIM Entity:

A BA, other than the LADWP EIM Entity, that enters into the MO's pro forma EIM Entity Agreement to enable the EIM to occur in its BAA.

1.26 EIM Transfer:

The transfer of real-time energy resulting from an EIM Dispatch Instruction:

1. between the LADWP EIM Entity BAA and the CAISO BAA;
2. between the LADWP EIM Entity BAA and an EIM Entity BAA; or
3. between the CAISO BAA and an EIM Entity BAA using transmission capacity available in the EIM.

1.27 Eligible Customer:

i. Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for 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.

However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider.

ii. Any retail customer taking unbundled transmission service pursuant to a state requirement that the Transmission Provider offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer under the Tariff.

1.27A Emergency:

Any abnormal system condition that requires automatic or immediate manual action to prevent or limit the failure of transmission facilities or generation supply that could adversely affect the reliability of the Transmission Provider's or a third party's Transmission System.

1.28 Facilities Study:

An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such

modifications, that will be required to provide the requested transmission service.

1.29 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.

1.30 Flexible Ramping Product:

The costs associated with meeting a requirement, established by the MO, that may be enforced in the MO's EIM optimization to ensure that the unit commitment or dispatch of resources for intervals beyond the applicable commitment or dispatch period provide for the availability of required capacity for dispatch in subsequent real-time dispatch intervals.

1.31 Flexible Ramping Forecast Movement:

A resource's change in forecasted output between market intervals for purposes of the Flexible Ramping Product.

1.32 Flexible Ramping Uncertainty Award:

A resource's award for meeting a Flexible Ramping Uncertainty Requirement under the Flexible Ramping Product.

1.33 Flexible Ramping Uncertainty Requirement:

Flexible ramping capability to meet the Flexible Ramping Product

requirements established by the MO.

1.34 Forecast Data:

Information provided by Transmission Customers regarding expected load (as determined pursuant to Section 4.2.4.3 of Attachment O of this Tariff), generation, Intrachange, and Interchange, as specified in Section 4.2.4 of Attachment O and the LADWP EIM BP. The Transmission Customer Base Schedule includes Forecast Data that is used by the LADWP EIM Entity as the baseline by which to measure Imbalance Energy for purposes of EIM settlement.

1.35 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).

1.36 Imbalance Energy:

The deviation of supply or demand from the Transmission Customer Base Schedule, positive or negative, as measured by metered generation, metered load, or real-time Interchange or Intrachange schedules.

1.37 Instructed Imbalance Energy (IIE):

There are three scenarios that can lead to settlement of imbalance as IIE:

1. operational adjustments of the Transmission Customer's affected Interchange or Intrachange, which includes changes by the Transmission Customer after T-57,
2. resource imbalances created by Manual Dispatch or an EIM Available Balancing Capacity dispatch, or
3. an adjustment to resource imbalances created by adjustments to resource forecasts pursuant to Section 11.5 of the MO Tariff.

1.38 Interchange:

E-Tagged energy transfers from, to, or through the LADWP EIM Entity BAA or other BAAs, not including EIM Transfers.

1.39 Interconnection Customer:

Any Eligible Customer (or its Designated Agent) that executes an agreement to receive generation interconnection service pursuant to Attachments M or N of this Tariff.

1.40 Interruption:

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

1.41 Intrachange:

E-Tagged energy transfers within the LADWP EIM Entity BAA, not including real-time actual energy flows associated with EIM Dispatch Instructions.

1.42 LADWP:

Refers to Los Angeles Department of Water and Power Transmission Provider.

1.43 LADWP BAA:

Refers to the BAA operated by LADWP Transmission Provider.

1.44 LADWP BAA Transmission Owner:

A transmission owner, other than the LADWP EIM Entity, who owns transmission facilities in LADWP's BAA.

1.45 LADWP EIM Business Practice (LADWP EIM BP):

The business practice posted on LADWP's OASIS that contains procedures related to LADWP's implementation of EIM.

1.46 LADWP EIM Entity:

The Transmission Provider in performance of its role as an EIM Entity under

the MO Tariff and this Tariff, including, but not limited to, Attachment O.

1.47 LADWP EIM Entity BAA:

The collection of generation, transmission, and loads within the LADWP BAA modeled in the EIM with the MO for the LADWP EIM Entity which modeling excludes any generation, transmission and loads not served under this Tariff.

1.48 LADWP EIM Entity Scheduling Coordinator:

The Transmission Provider or the entity selected by the Transmission Provider who is certified by the MO and who enters into the MO's pro forma EIM Entity Scheduling Coordinator Agreement.

1.49 LADWP EIM Participating Resource:

A resource or a portion of a resource:

1. that has been certified in accordance with Attachment O by the LADWP EIM Entity as eligible to participate in the EIM; and
2. for which the generation owner and/or operator enters into the MO's pro forma EIM Participating Resource Agreement.

1.50 LADWP EIM Participating Resource Scheduling Coordinator:

A Transmission Customer with one or more LADWP EIM Participating Resource(s) or a third-party designated by the Transmission Customer with one or more LADWP EIM Participating Resource(s), that is certified by the

MO and enters into the MO's pro forma EIM Participating Resource Scheduling Coordinator Agreement.

1.51 LADWP Interchange Rights Holder:

A Transmission Customer who has informed the LADWP EIM Entity that it is electing to make reserved firm transmission capacity available for EIM Transfers without compensation.

1.52 Load Aggregation Point (LAP):

A set of Pricing Nodes that is used for the submission of bids and settlement of demand in the EIM.

1.53 Load Ratio Share:

Ratio of a Transmission Customer's Network Load to the 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.

1.54 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.

1.55 Locational Marginal Price (LMP):

The marginal cost ($/MWh) of serving the next increment of demand at that PNode consistent with existing transmission constraints and the performance characteristics of resources.

1.56 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.

1.57 Manual Dispatch:

An operating order issued by the LADWP EIM Entity to a Transmission Customer with an LADWP EIM Participating Resource or a Non-Participating Resource in the LADWPEIM Entity BAA, outside of the EIM optimization, when necessary to address reliability or operational issues in the LADWP EIM Entity BAA that the EIM is not able to address through economic dispatch and congestion management.

1.58 Market Operator (MO):

The entity responsible for operation, administration, settlement, and oversight of the EIM.

1.59 Measured Demand:

Measured Demand includes (1) Metered Demand, plus (2) e-Tagged export volumes sourced from the LADWP EIM Entity BAA, and (3) e-Tagged volumes wheeling through the LADWP EIM Entity BAA. Measured Demand

excludes e-Tagged volumes from generating resources pseudo-tied out of the LADWP EIM Entity BAA and EIM Transfers.

1.60 Metered Demand:

Metered load volumes in the LADWP EIM Entity BAA.

1.61 MO Tariff:

Those portions of the MO's approved tariff (as cited in the LADWP EIM BP), as such tariff may be modified from time to time, that specifically apply to the operation, administration, settlement, and oversight of the EIM.

1.62 Native Load Customers:

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

1.63 Network Customer:

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

1.64 Network Integration Transmission Service:

The transmission service provided under Part III of the Tariff.

1.65 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, the 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.

1.66 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.

1.67 Network Operating Committee:

A group made up of representatives from the Network Customer(s) and the

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.

1.68 Network Resource:

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

1.69 Network Upgrades:

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

1.70 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.

1.71 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.

1.72 Non-Participating Resource:

A resource in the LADWP EIM Entity BAA that is not an LADWP EIM Participating Resource.

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

The information system and standards of conduct contained in Part 37 of the Commission's regulations and all additional requirements implemented by the Transmission Provider dealing with OASIS.

1.74 Operating Hour:

The hour when the EIM runs and energy is supplied to load.

1.75 Pacific Prevailing Time or PPT:

The local time in Los Angeles, California.

1.76 Part I:

Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.

1.77 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.

1.78 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.

1.79 Parties:

The Transmission Provider and the Transmission Customer receiving service under the Tariff.

1.80 Point(s) of Delivery:

Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the 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.

1.81 Point(s) of Receipt:

Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the 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.

1.82 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.

1.83 Power Purchaser:

The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

1.84 Pre-Confirmed Application:

An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

1.85 Preschedule Day:

The preschedule day identified in WECC's Approved Preschedule Calendar for the given calendar year.

1.86 Pricing Node (PNode):

A single network node or subset of network nodes where a physical injection or withdrawal is modeled by the MO and for which the MO calculates an LMP that is used for financial settlements by the MO and the LADWP EIM Entity.

1.87 Real Power Losses:

Electrical losses associated with the use of the Transmission Provider's Transmission System and, where applicable, the use of the Transmission Provider's distribution system. Such losses are provided for in Sections 15.7 and 28.5 of the Tariff and settled financially under Schedule 12.

1.88 Receiving Party:

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

1.89 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.

1.90 Reserved Capacity:

The maximum amount of capacity and energy that the Transmission Provider

agrees to transmit for the Transmission Customer over the 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.

1.91 Resource Plan:

The combination of load, resource and Interchange components of the Transmission Customer Base Schedule, ancillary services plans of the LADWP EIM Entity, bid ranges submitted by LADWP EIM Participating Resources, and the EIM Available Balancing Capacity of Balancing Authority Area Resources.

1.92 Service Agreement:

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

1.93 Service Commencement Date:

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission

Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

1.94 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.

1.94A Substitute Designated Network Resource:

A resource not previously designated by a Network Customer under Section 29.2 that (1) goes to physical delivery to serve the Network Customer's Network Load, (2) solely as a result of a Bookout involving a Network Resource executed during the day prior to commencement of service, and (3) uses the transmission path previously reserved for the booked out Network Resource pursuant to Section 29 of the Tariff to deliver power to the Network Customer's Network Load.

1.95 System Condition

A specified condition on the 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 the Transmission Customer's Service

Agreement.

1.96 System Impact Study:

An assessment by the 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.

1.97 Tariff:

This Open Access Transmission Tariff as may be amended from time to time.

1.98 Third-Party Sale:

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

1.99 Transmission Customer:

Any Eligible Customer (or its Designated Agent) that executes a Service Agreement. 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.

1.100 Transmission Customer Base Schedule:

An energy schedule that provides Transmission Customer hourly-level Forecast Data and other information that is used by the LADWP EIM Entity as the baseline by which to measure Imbalance Energy for purposes of EIM settlement. The term "Transmission Customer Base Schedule" as used in this Tariff may refer collectively to the components of such schedule (resource, Interchange, Intrachange, and load determined pursuant to Section 4.2.4.3 of Attachment O) or any individual components of such schedule.

1.101 Transmission Provider:

The transmitting utility (or its Designated Agent) that owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides transmission service under the Tariff.

1.102 Transmission Provider's Monthly Transmission System Peak:

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

1.103 Transmission Service:

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

1.104 Transmission System:

The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of the Tariff.

1.105 Uninstructed Imbalance Energy (UIE):

For Non-Participating Resources in an EIM Entity BAA, the MO shall calculate UIE as either: (1) the algebraic difference between the resource's 5-minute meter data and the resource component of the Transmission Customer Base Schedule, or, if applicable, (2) the 5-minute meter data and any Manual Dispatch or EIM Available Balancing Capacity dispatch.

For Transmission Customers with load in the LADWP EIM Entity BAA, the LADWP EIM Entity shall calculate UIE as the algebraic difference between the Transmission Customer's actual hourly load and the Transmission Customer Base Schedule.

1.106 Unreserved Use:

Unreserved Use shall have the meaning ascribed in Section 13.4 of the Tariff.

1.107 Variable Energy Resource:

A device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or

operator; and (3) has variability that is beyond the control of the facility owner or operator.

2 Initial Allocation and Renewal Procedures

2.1 Initial Allocation of Available Transfer Capability

For purposes of determining whether existing capability on the 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) day period commencing with the effective date of the Tariff will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 13.2.

2.2 Continuation of Service

Subject to the Service Agreement term limitations in Section 13.1 and Section 28.1A, existing firm service customers (wholesale requirements and transmission-only, with a contract term greater than one year), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed; provided, however, the total

term for any Service Agreement, including all renewal options, is limited to three (3) years, unless:

2.2.1 In the reasonable but exclusive determination of Transmission Provider, the Eligible Customer has satisfied the requirements of the Governmental Person Use Certification and the requirements of Section 5.2 of this Tariff; or

2.2.2 The Transmission Provider and a firm service customer with a contract term of two (2) years or more have mutually agreed to add the following automatic renewal option to the initial Transmission Service Agreement:

> "**Automatic renewal option**": This TSA will automatically renew for an additional term of two (2) years, unless either Party notifies the other party of the termination of this automatic renewal option on or before the date that is one (1) year prior the last day of the initial term of the TSA, and one (1) year prior to the last day of each subsequent term of the TSA thereafter"; or

The applicable transmission service contract specifies otherwise, provided that in the reasonable but exclusive determination of Transmission Provider, such contract does not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities that would be used in

providing such transmission service.

2.3 Competing Requests

This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the 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 requesting service (up to three (3) years in duration) and be willing to pay the current rate for such service, as approved by the Transmission Provider's Board of Commissioners and the Los Angeles City Council for such service; provided that, the firm service customer (i) shall have a right of first refusal at the end of such service only if the Transmission Customer has not exhausted its three (3) year Service Agreement limitation and (ii) may only renew the service for a period such that the total term of the Service Agreement, including all renewal options, does not exceed three (3) years, unless in the reasonable but exclusive determination of Transmission Provider, the Eligible Customer has satisfied the requirements of the Governmental Person Use Certification and the requirements of Section 5.2 of this Tariff; or the Transmission Provider and a

firm service customer with a contract term of two (2) years or more have mutually agreed to add the automatic renewal option set forth in Section 2.2.2 of this Tariff to the initial Transmission Service Agreement. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than six (6) months 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 one year or longer.

2.4 Prior Service Agreements

Service agreements entered into prior to the effective date of this Tariff, unless terminated, will be subject to the renewal procedures above on the first roll over date after the effective date of this Tariff; except that, if the service agreement includes provisions governing continuation, renewal, or extension of service upon expiration of service agreement, then those terms shall govern, provided that in the reasonable but exclusive determination of Transmission Provider such continuation, renewal, or extension would not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service.

3 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), and the 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.

The Transmission Provider is required to offer to provide (or offer to arrange with the local Control Area operator as discussed below) the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Control Area (i) Regulation and Frequency Response or Generator Regulation and Frequency Response Service, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, and (iv) Operating Reserve - Supplemental. The Transmission Customer serving load within the Transmission Provider's Control Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), to the extent it is physically feasible to do so from its resources or from resources available to it, Generator Imbalance Service when Transmission Service is used to deliver energy from a

generator located within its Control Area. The Transmission Customer using Transmission Service to deliver energy from a generator located within the Transmission Provider's Control Area is required to acquire Generator Imbalance Service, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider. A Transmission Customer that exceeds its firm 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 that were provided by the Transmission Provider associated with the unreserved service pursuant to Schedule 11. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.

If the Transmission Provider is a transmitting utility providing transmission service but is not a Control Area operator for any segment of the transmission path, it may be unable to provide some or all of the Ancillary Services. In this

case, the Transmission Provider can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services from the Control Area operator. The Transmission Customer may elect to (i) have the Transmission Provider act as its agent, (ii) secure the Ancillary Services directly from the Control Area operator, or (iii) secure the Ancillary Services (discussed in Schedules 3, 4, 5, 6, 9, and 10) from a third party or by self-supply when technically feasible.

The Transmission Provider shall specify the rate treatment and all related terms and conditions in the event of an unauthorized use of Ancillary Services by the Transmission Customer in Schedule 11.

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 the Transmission Provider in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by the 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 the 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:

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 Generator Regulation and Frequency Response Service:

Where applicable the rates and/or methodology are described in Schedule 10.

4 Open Access Same-Time Information System (OASIS)

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in business practices and posted on OASIS. In the event available transfer capability as posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 19 and 32.

The 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. The 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. The Transmission Provider shall also post on OASIS and its public website an electronic link to a statement of the process by which the 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 the 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 the Transmission Provider deems appropriate.

5 Municipal Tax Exempt Bonds

5.1 Transmission Provider Own Facilities Financed by Tax Exempt and Tax Credit Bonds:

Notwithstanding any other provision of this Tariff, the 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 municipal bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service.

5.2 Governmental Person Use Certificate

5.2.1 The Transmission Provider may provide Transmission Service to an Eligible Customer in which the total term for any Service Agreement, including all renewal options, is greater than three (3) years, if the Eligible Customer provides a Governmental Person Use Certificate to the Transmission Provider, substantially in the form of Attachment A-2, consisting of a signed and notarized declaration, from a senior management representative who is duly authorized to represent Eligible Customer.

5.2.2 Any dispute between Transmission Provider and the Eligible Customer as to the determinations made by Transmission Provider in this Section 5.2 shall not be subject to the dispute resolution provisions of Section 12 of this Tariff; provided that nothing in this Section 5.2 shall be construed as

affecting in any way the ability of the Transmission Provider or Eligible Customer to exercise rights under any applicable law or regulations.

5.2.3 To facilitate the review by the Transmission Provider of the Eligible Customer Certification provided for in 5.2.1, the Eligible Customer may include documentary support, such as an IRS letter ruling or an unqualified opinion of a nationally-recognized bond counsel supporting the statements in the Certification. The Transmission Provider shall review and respond to the Eligible Customer's submission of a Governmental Person Use Certificate within forty-five (45) days of receipt of said Certificate**.**

5.2.4 After Transmission Provider's review of the Eligible Customer Certification provided in Section 5.2.1, which may include review by Transmission Provider's bond counsel, Transmission Provider will inform the Eligible Customer whether or not providing the Eligible Customer with a term of service longer than three (3) years pursuant to the Eligible Customer Certification would jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities. The Transmission Provider shall exercise reasonable but exclusive judgment to make such determination. Eligible Customer agrees to pay or reimburse Transmission Provider for reasonable costs and expenses (including fees and expenses of counsel) that may be incurred by Transmission Provider for review of the

individual Eligible Customer's Governmental Person Use Certificate.

5.2.5 An Eligible Customer that has been informed by Transmission Provider after the review in Section 5.2.4 that it qualifies for Transmission Service under a Service Agreement in which the total term, including all renewal options, is greater than three (3) years, may only sell, lay-off, or otherwise transfer in any manner, any individual service transaction pursuant to the provisions set forth in Section 23 of this Tariff, if the total term of the Service Agreement at the time of such sale, layoff or other transfer, including all renewal options, does not exceed three (3) years, unless in the reasonable but exclusive determination of Transmission Provider, the other Eligible Customer to which such service is sold, laid-off or otherwise transferred has also satisfied the requirements of the Eligible Customer Certification in Section 5.2 of this Tariff, or unless such transfer is to the operational control of an Independent System Operator or Regional Transmission Organization, subject to the reasonable but exclusive determination of Transmission Provider that such transfer would not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service and provided that Eligible Customer shall provide to Transmission Provider an unqualified opinion of a nationally-recognized bond

counsel to Transmission Provider that such transfer will not jeopardize the tax-exempt status of any such municipal bonds. Any resale, assignment or transfer of service that fails to conform to the provisions of Sections 5.2.5 and 23 of this Tariff, by intent or otherwise, shall be void and unenforceable.

5.2.6 Eligible Customers that have executed the Governmental Person Use Certification (Attachment A-2) may transfer rights to Transmission Service on Transmission Provider's Facilities to the operational control of an Independent System Operator or Regional Transmission Organization, subject to the reasonable but exclusive determination of Transmission Provider that such transfer would not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service. The terms applicable to such transfer shall provide for preservation of the tax-exempt status of financing instruments used to finance the Facilities. Eligible Customer shall provide to Transmission Provider assurance in the form of an unqualified opinion rendered by nationally-recognized bond counsel or similar documentation that is reasonably acceptable to Transmission Provider that transfer of operational control of Eligible Customer's rights to Transmission Service shall not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities.

6 Reciprocity

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to the Transmission Provider on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the 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 transmission-owning 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 the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates.

This reciprocity requirement applies not only to the 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 the 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 service is provided, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff. Notwithstanding the prior sentence, the Transmission Provider may submit invoices for periods of less than a full month. The invoice shall be paid by the Transmission Customer within twenty (20) days of receipt. All payments shall be made in immediately available funds in U.S. dollars payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider.

7.2 Interest on Unpaid Balances:

Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Transmission Provider.

7.3 Customer Default:

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the 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 the Transmission Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may provide written notice to the Transmission Customer of Transmission Provider's intent to terminate service sixty (60) calendar days from the date of such notice. Transmission Customer shall have seven (7) calendar days following the receipt of the Transmission Provider's notice of termination to submit a

written request to the Transmission Provider to commence the dispute resolution procedures of Section 12 of this Tariff. If Transmission Customer does not provide such notice within seven (7) calendar days of receipt of the notice of termination, then Transmission Provider may terminate service to the Transmission Customer on the date specified in the notice of termination. If the Transmission Customer does submit a timely written request to commence dispute resolution procedures, then Section 12 of this Tariff shall apply. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days.

8 Accounting for the Transmission Provider's Use of the Tariff

The Transmission Provider shall 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 the 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 the Transmission Customer's billing under the Tariff.

9 Tariff and Rate Changes, Withdraw, and Reservation of Rights

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider to unilaterally propose a change in rates, terms and conditions, charges or classification of service. The Transmission Provider may also change the rates that apply to transmission service under any Service Agreement under this Tariff

pursuant to applicable law.

The Transmission Provider reserves the right to withdraw and terminate the Tariff. However, the Transmission Provider will not terminate Transmission Service during the stated term of a Service Agreement. The Transmission Provider will also not terminate Transmission Service for Non-Firm Point-to-Point Service Agreements with a duration of less than 30 days. The Transmission Provider will provide thirty (30) days advance written notice prior to the terminating service under Service Agreements for Non-Firm Point-to-Point Transmission Service with a duration of more than thirty (30) days.

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the Tariff to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

10 Force Majeure and Indemnification

10.1 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, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party’s control. A Force Majeure event does not include an act of negligence or intentional wrongdoing.

Neither the Transmission Provider nor the 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.

10.2 Indemnification:

The Transmission Customer shall at all times indemnify, defend, and save the 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 the Transmission Provider's performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by the Transmission Provider. Provided, however, that the standard of liability for the actions of the LADWP EIM Entity performed consistent with Attachment O of this Tariff shall be gross negligence or intentional wrongdoing.

11 Creditworthiness

The Transmission Provider will specify its Creditworthiness procedures in Attachment L.

12 Dispute Resolution Procedures

12.1 Internal Dispute Resolution Procedures:

Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under the Tariff shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days (or such other period as the Parties may agree upon) by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

12.2 External Arbitration Procedures:

Arbitration may be initiated under the Tariff. In the event that the Parties mutually agree to arbitration, the Parties shall comply with the following procedures:

12.2.1 Such arbitration shall be conducted before a single neutral arbitrator appointed by the Parties.

12.2.2 If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral 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) days select a third arbitrator to chair the arbitration panel.

12.2.3 Whether a single arbitrator or a three-member arbitration panel is selected, the arbitrator(s) 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 generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association or Regional Transmission Group rules.

12.3 Arbitration Decisions:

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) 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 the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above 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 and/or the Administrative Dispute Resolution Act.

12.4 EIM Disputes:

12.4.1 Disputes between the LADWP EIM Entity and a Transmission Customer or Interconnection Customer Related to Allocation of Charges or Payments from the MO: To the extent a dispute arises between the LADWP EIM Entity and a Transmission Customer or Interconnection Customer regarding the LADWP EIM Entity's implementation of this Tariff's provisions regarding the manner in which the LADWP EIM Entity allocates charges or payments from the MO, the parties shall follow the dispute resolution procedures in Sections 12.1 to 12.4 of this Tariff.

12.4.2 Disputes between the MO and LADWP EIM Participating Resource Scheduling Coordinators Related to EIM Charges and Payments Directly With the MO: Disputes involving settlement statements between the MO and LADWP EIM Participating Resource Scheduling Coordinators shall be resolved directly with the MO in accordance with the dispute resolution process outlined in the MO Tariff. A Transmission Customer with an LADWP EIM Participating Resource shall

provide notice to the LADWP EIM Entity if it raises a dispute with the MO, and such notice shall be provided in accordance with the process set forth in the LADWP EIM BP.

12.4.3 Disputes between the MO and the LADWP EIM Entity: The LADWP EIM Entity may raise disputes with the MO regarding the settlement statements it receives from the MO in accordance with the process specified in the MO Tariff. If the LADWP EIM Entity submits a dispute it shall provide notice to Transmission Customers in accordance with the LADWP EIM BP.

12.4.4 Disputes Regarding MO Charges or Payments to the LADWP EIM Entity Raised by Transmission Customers or Interconnection Customers: To the extent a dispute arises regarding a MO charge or a MO payment to the LADWP EIM Entity that is subsequently charged or paid by the LADWP EIM Entity to a Transmission Customer or an Interconnection Customer, and such Transmission Customer or Interconnection Customer wishes to raise a dispute with the MO, the LADWP EIM Entity shall file a dispute on behalf of such Transmission Customer or Interconnection Customer in accordance with the MO Tariff and work with the

Transmission Customer or the Interconnection Customer to resolve the dispute pursuant to the process specified in the MO Tariff.

12.5 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.

12.6 Rights Under The Federal Power Act:

Nothing in this section shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

12A Emergency Deviations

Notwithstanding any other provision in this Tariff, in an Emergency, the Transmission Provider, in its capacity as a Balancing Authority pursuant to applicable reliability rules adopted under Section 215 of the Federal Power Act, may take whatever actions are necessary and may direct a Network Customer to take whatever actions are necessary to keep the Transmission System in operation. The Transmission Provider shall post on its OASIS each Emergency that resulted in any deviation from the Tariff, within 24 hours of such deviation.

II. POINT-TO-POINT TRANSMISSION SERVICE

Preamble

The 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 hour and the maximum term, including all renewals granted in accordance with Section 2, shall be limited to three years pursuant Section 5.1 of this Tariff, unless in the reasonable but exclusive determination of Transmission Provider, the Eligible Customer has satisfied the requirements of the Governmental Person Use Certification and the requirements of Section 5.2 of this Tariff, in which case the maximum term shall be specified in the Service Agreement; or the Transmission Provider and a firm service customer with a contract term of two (2) years or more have mutually agreed to add the

automatic renewal option set forth in Section 2.2.2 of this Tariff to the initial Transmission Service Agreement.

13.2 Reservation Priority:

(i) 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.

(ii) Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction or reservation. However, Pre-Confirmed Applications 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 given to an Eligible Customer's request or reservation that offers the highest price, followed by the date and time of the request or reservation.

(iii) If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following

conditional reservation deadlines: one 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 and lower price has the right of first refusal to match any longer-term request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the 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 the 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, price

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.

(iv) 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 2.3.

13.3 Use of Firm Transmission Service by the Transmission Provider:

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

13.4 Service Agreements:

The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer

when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service pursuant to the Tariff. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement ("Unreserved Use") will be deemed, for purposes of assessing any appropriate charges and penalties for such Unreserved Use, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the 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 or Redispatch Costs:

In cases where the 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 the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27. To the extent the Transmission Provider can relieve any system constraint by redispatching the Transmission Provider's resources, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27 and agrees to either (i) compensate the Transmission Provider for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment by the Transmission Provider of redispatch requirements as described in Section 15.4. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be

charged to the 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 the 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. Transmission Provider may elect to implement such Curtailments pursuant to the WECC procedures and protocols for unscheduled flow mitigation specified in Attachment J. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the 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 the 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 the 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 the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments. Transmission Provider shall take necessary measures to ensure reliability in LADWP's BAA in accordance with Section 6 of Attachment O.

13.7 Classification of Firm Transmission Service:

(a) The 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.

(b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the 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.

(c) The 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 the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm 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 the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm 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 the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7. The 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. The 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 the 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.

(d) In the event of an Unreserved Use, the Transmission Customer or Eligible Customer shall pay an Unreserved Use charge and penalty in accordance with Schedule 11.

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

Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 3:00 p.m. PPT of the Preschedule Day prior to commencement of such service. Schedules submitted after 3:00 p.m. PPT will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Subject to Transmission Provider's prior approval, Transmission Customers within the 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 before the start of the next scheduling interval provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules and, when

available, 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 the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the 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 Applications. 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 highest price offered by the Eligible Customer for the Transmission Service. 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 the 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 the 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 the 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 the Transmission Provider:

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales. The 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:

The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for 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. The 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. The Transmission Provider shall specify the rate treatment under Schedule 11 and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its non-firm capacity reservation. 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 an hourly, 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 the Transmission Provider no later than 3:00 p.m. PPT of the Preschedule Day prior to commencement of such service. Schedules submitted after 3:00 p.m. PPT will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the 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 up to twenty (20) minutes before the start of the next

scheduling interval provided that the Delivering Party and Receiving Party also agree to the schedule modification. The 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 the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the 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:

The 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 may elect to implement such Curtailments pursuant to the WECC procedures and protocols for unscheduled flow mitigation specified in Attachment J. The 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) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, (4) transmission service for Network Customers from non-designated resources, or (5) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 15.4. The Transmission Provider also will discontinue or reduce service to the 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. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice. Transmission Provider will take necessary measures to ensure reliability in LADWP's BAA in accordance with Section 6 of Attachment O.

15 Service Availability

15.1 General Conditions:

The 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 the Transmission Provider's specific methodology for assessing available transfer capability posted on the 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, the Transmission Provider will respond by performing a System Impact Study.

15.3 Initiating Service in the Absence of an Executed Service Agreement:

If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, the Transmission Customer may submit a written notification of the disputed terms and conditions pursuant to dispute resolution procedure of Section 12 of this Tariff. The written notification should detail the acceptable versus the disputed terms and conditions. The Transmission Provider may commence providing reliable Transmission Service in compliance with this Tariff and all Applicable Reliability Standards to the Transmission Customer under an unexecuted Point-To-Point Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service**,** subject to the Transmission Customer agreeing to (1) compensate Transmission Provider at its current just and reasonable rate, as approved by the Transmission Provider's Board of Commissioners and Los Angeles City Council, and (2) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

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

(a) If the 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, the 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 the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The 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 the Transmission Provider has the right to expand or modify.

(b) If the 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, the Transmission Provider

will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. A Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third-party resource.

(c) If the 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, the Transmission Provider will offer the Firm Transmission Service with the condition that the 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 the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i)

Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or (iii) the 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:

The 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 the 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 Agreements:

Eligible Customers receiving transmission service under other agreements with the Transmission Provider may continue to receive transmission service under those agreements until such time as those agreements may expire or terminate. If the service agreement includes provisions governing continuation, renewal, or extension of service upon expiration of the service agreement, then those terms shall govern, provided that in the reasonable but

exclusive determination of Transmission Provider continuation, renewal, or extension of such contract would not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service.

15.7 Real Power Losses:

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer shall compensate Transmission Provider for losses associated with all transmission service as provided in Schedule 12. The applicable Real Power Loss factors are as follows:

a. 5.02% for any delivery of energy using the Intermountain Power Project Direct Current segment; and

b. 6.07% for any delivery of energy using the Pacific Direct Current Intertie segment; and

c. 1.78% for any delivery of energy using only Alternating Current segments; and

d. An additional 5.89% loss factor will be included for any delivery of energy using the SYLMAR to PALOVERDE500 segments.

For any delivery of energy using a combination of segments, the highest loss factor will apply. Additionally, if the SYLMAR to PALOVERDE500 segment is used, then 5.89% will be added to the highest loss factor.

16 Transmission Customer Responsibilities

16.1 Conditions Required of Transmission Customers:

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

(a) The Transmission Customer has pending a Completed Application for service;

(b) The Transmission Customer meets the creditworthiness criteria set forth in Section 11;

(c) The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of the Tariff commences;

(d) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation;

(e) The Transmission Customer provides the information required by

the Transmission Provider's planning process established in Attachment K;

(f) The Transmission Customer has executed a Point-To-Point Service Agreement or has agreed to receive service pursuant to Section 15.3; and

(g) The Transmission Customer must comply with the requirements of Attachment O regarding the EIM.

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 the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the Transmission Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the 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, the Transmission Provider will undertake reasonable efforts to assist the 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: Attention: Manager of Transmission Contracts, Los Angeles Department of Water and Power, 111 N. Hope Street, Room 1246, Los Angeles, CA 90012, at least sixty (60) days but no greater than three (3) years in advance of the calendar month in which service is to commence. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the priority of the Application.

17.2 Completed 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, electronic mail address,

and facsimile number of the entity requesting service;

(ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

(iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;

(iv) 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. The 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 RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations;

(v) A description of the supply characteristics of the capacity and energy to be delivered;

(vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;

(vii) The Service Commencement Date and the term of the requested Transmission Service;

(viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;

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

(x) Any additional information required by the Transmission Provider's planning process established in Attachment K.

The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

17.3 Deposit:

A Completed Application for Firm Point-To-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one

month. If the Application is rejected by the 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 (RFP), said deposit shall be returned with interest less any reasonable costs incurred by the Transmission Provider in connection with the review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by the Transmission Provider if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the deposit shall be refunded in full, with interest less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer. The Transmission Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the 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, with interest, will be returned to the Transmission Customer upon expiration or

termination of the Service Agreement for Firm Point-To-Point Transmission Service. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to the Transmission Provider's account.

17.4 Notice of Deficient Application:

If an Application fails to meet the requirements of the Tariff, the Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. The Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application, along with any deposit, with interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the 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 Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transfer capability as required in Section 15.2. The Transmission

Provider shall notify the 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 the 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 the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Transmission Provider's execution of the Service Agreement is subject to approval by its governing body. 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 or request the filing of an unexecuted service agreement pursuant to Section 15.3, within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded

with 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:

The Transmission Customer can obtain, subject to availability, up to two (2) one-year extensions for the commencement of service. The 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 15 days of notifying the 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 the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) 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 the 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 the Transmission Provider. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application.

18.2 Completed 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, facsimile number and electronic mail address of the entity requesting service;

(ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

(iii) The Point(s) of Receipt and the Point(s) of Delivery;

(iv) The maximum amount of capacity requested at each Point of

Receipt and Point of Delivery; and

(v) The proposed dates and hours for initiating and terminating transmission service hereunder.

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

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

(vii) The electrical location of the ultimate load.

The Transmission Provider will treat this information in (vi) and (vii) as confidential at the request of the 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 RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission’s regulations.

(viii) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the

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) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) days before service is to commence, and requests for hourly service shall be submitted no earlier than 11:00 a.m. PPT of the Preschedule Day before service is to commence. Requests for service received later than the times specified above may be accommodated by Transmission Provider.

18.4 Determination of Available Transfer Capability:

Following receipt of a tendered schedule the 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) 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, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects to have the Transmission Provider study redispatch or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider along with a study deposit of $50,000 within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact

Study Agreement or fails to return it to Transmission Provider along with the study deposit within the time prescribed above, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest.

19.2 System Impact Study Agreement and Cost Reimbursement:

(i) The System Impact Study Agreement will clearly specify the 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, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

(ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to

accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.

(iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 20.

19.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including an estimate of the cost of redispatch, (3) conditional curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur, and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2)

provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time, it shall so notify the 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 the Eligible Customer as soon as the System Impact Study is complete. The 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. The Transmission Provider shall notify the 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) days of completion of the System Impact Study, the Eligible Customer must execute a Service Agreement or request in writing an unexecuted Service Agreement pursuant to Section 15.3 of the Tariff and return it to Transmission Provider

within the time prescribed, or the Application shall be deemed terminated and withdrawn.

19.4 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider along with a study deposit of $75,000 payable to LADWP within fifteen (15) days. If the 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 with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the 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 the Transmission Customer, (ii) the 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 time required to complete such construction and initiate the requested service. The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.5 Facilities Study Modifications:

Any change in design arising from inability to site 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 the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

19.6 Due Diligence in Completing New Facilities:

The Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The 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.

19.7 Partial Interim Service:

If the 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, the 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 and through redispatch. However, the 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.

19.8 Expedited Procedures for New Facilities:

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the 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 the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible

Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

19.9 Requirement to Meet Study Completion Deadline.

Transmission Provider is required to use due diligence to meet 60-day study completion deadline for System Impact Studies and Facility Studies.

(i) The Transmission Provider is required to file a notice with Transmission Provider's Board of Commissioners in the event that more than twenty (20) percent of non-Affiliates' System Impact Studies and Facilities Studies completed by the Transmission Provider in any two consecutive calendar quarters are not completed within the 60-day study completion deadlines. Such notice must be filed within thirty (30) days of the end of the calendar quarter triggering the notice requirement.

(ii) For the purposes of calculating the percent of non-Affiliates' System Impact Studies and Facilities Studies processed outside of the 60-day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of

completed studies. The Transmission Provider may provide an explanation in its notification filing to the Transmission Provider's Board of Commissioners if it believes there are extenuating circumstances that prevented it from meeting the 60-day study completion deadlines.

20 Procedures if The 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, the Transmission Provider shall promptly notify the Transmission Customer. In such circumstances, the Transmission Provider shall within thirty (30) days of notifying the Transmission Customer of such delays, convene a technical meeting with the Transmission Customer to evaluate the alternatives available to the Transmission Customer. The Transmission Provider also shall make available to the Transmission Customer studies and work papers related to the delay, including all information that is in the possession of the Transmission Provider that is reasonably needed by the 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, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the 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, the Transmission Provider shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 12.

20.3 Refund Obligation for Unfinished Facility Additions:

If the Transmission Provider and the 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 the Transmission Customer shall be returned with interest pursuant to Commission regulations 18 CFR §

35.19a(a)(2)(iii). However, the Transmission Customer shall be responsible for all prudently incurred costs by the 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:

The 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. The Transmission Provider will undertake reasonable efforts to assist the 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, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the 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. The Transmission Provider shall notify the 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) days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12.

22 Changes in Service Specifications

22.1 Modifications On a Non-Firm Basis:

The Transmission Customer taking Firm Point-To-Point Transmission Service may request the 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.

(a) 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 the Transmission Provider on behalf of its Native Load Customers.

(b) The sum of all Firm and non-firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.

(c) The 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.

(d) 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, the 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 Resale, Assignment or Transfer of Service:

Subject to the provisions of Section 5 of this Tariff, Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement to another Eligible Customer or to the operational control of an Independent System Operator or Regional Transmission Organization (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to Resellers shall be at rates established by agreement between the Reseller and the Assignee.

The Reseller and Assignee must execute the Form of Service Agreement for the Resale, Assignment or Transfer of Point-To-Point Transmission Service (Attachment A-1) with the Transmission Provider governing reassignments of transmission service prior to the date on which the reassigned service commences, unless the transfer is of operational control to an Independent

System Operator or Regional Transmission Organization, in which case execution of Attachment A-1 is not required. Transmission Provider is not responsible for administering any financial arrangements between the Reseller and Assignee, including without limitation, the payment of financial losses and penalties. Reseller remains liable for any and all financial obligations and payments to Transmission Provider under the parent Service Agreement except as specifically agreed to by the Transmission Provider and the Reseller through an amendment to the Service Agreement. Transmission Provider will not accept payment from an Assignee for a resale transaction on behalf of a Reseller. 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 transfer is to an Independent System Operator or Regional Transmission Organization, then only provisions of the OATT that are relevant to usage of the transferred rights under the Service Agreement will be applicable. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

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, the 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 the Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate the 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 the Transmission Provider and the Reseller through an amendment to the Service Agreement.

23.3 Information on Assignment or Transfer of Service:

In accordance with Section 4, all sales or assignments of capacity must be conducted through or otherwise posted on the Transmission Provider's OASIS on or before the date the reassigned service commences and are subject to Section 23.1. Resellers may also use the 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, the 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 the Transmission Provider. Such equipment shall remain the property of the Transmission Customer.

24.2 Transmission Provider Access to Metering Data:

The 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, the Transmission Customer is required to maintain a power factor within the same range as the 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).

The Transmission Provider shall use Part II of the Tariff to make its Third-Party Sales. The Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 8.

26 Stranded Cost Recovery

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

27 Compensation for New Facilities and Redispatch Costs

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs. Whenever a System Impact Study performed by the Transmission Provider identifies capacity constraints that may be relieved by redispatching the Transmission Provider's resources to eliminate such constraints, the Transmission Customer shall be responsible for the redispatch costs.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

Preamble

The 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 the 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 the Transmission Provider's Control 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, and must comply with the requirements of Attachment O regarding the EIM.

28.1A Term of Service:

The minimum term of Network Integration Transmission Service shall be more than one year and the maximum term, including all renewals granted in accordance with Section 2, shall be limited to three years pursuant Section 5.1 of this Tariff, unless in the reasonable but exclusive determination of Transmission Provider, the Eligible Customer has satisfied the requirements of the Governmental Person Use Certification and the requirements of Section 5.2 of this Tariff, in which case the maximum term shall be specified in the Service Agreement; or the Transmission Provider and a firm service customer with a contract term of two (2) years or more have mutually agreed to add the automatic renewal option set forth in Section 2.2.2 of this Tariff to the initial Transmission Service Agreement.

28.2 Transmission Provider Responsibilities:

The 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 the Transmission Provider's Transmission System. The 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 the Transmission Provider to calculate available transfer capability. The 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 the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers.

28.3 Network Integration Transmission Service:

The 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 the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.

28.4 Secondary Service:

The Network Customer may use the 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 Transmission Provider is not obligated to provide Real Power Losses. The Network Customer shall compensate Transmission Provider for losses associated with all transmission service as provided in Schedule 12. The applicable Real Power Loss factors are as follows:

a. 5.02% for any delivery of energy using the Intermountain Power Project Direct Current segments; and
b. 6.07% for any delivery of energy using the Pacific Direct Current Intertie segment; and
c. 1.78% for any delivery of energy using only Alternating Current segments; and
d. An additional 5.89% loss factor will be included for any delivery of energy using the PALOVERDE500 to SYLMAR segments.

For any delivery of energy using a combination of segments, the highest loss factor will apply. Additionally, if the PALOVERDE500 to SYLMAR segment is used, then 5.89% will be added to the highest loss factor.

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 the Transmission Provider's Transmission System. The 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.

28.7 Participation in the EIM:

Notwithstanding the limitations in Section 28.6, Network Customers utilizing a Network Integration Transmission Service Agreement and Native Load Customer may participate in the EIM without a requirement to terminate the designation of any Network Resource that is an LADWP EIM Participating

Resource consistent with Section 30.3 of this Tariff and without a requirement to reserve additional Point-To-Point Transmission Service for such transactions.

29 Initiating Service

29.1 Condition Precedent for Receiving Service:

Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4, (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff, and (iv) the Eligible Customer executes a Network Operating Agreement with the 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 the 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 the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods 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 facsimile number 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 the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission 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

- Approximate variable generating cost ($/MWH) for redispatch computations
- Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control 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 control area from which the power will originate
- Delivery point(s) to the 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
- Approximate variable generating cost ($/MWH) for redispatch computations;

(vi) Description of Eligible Customer's transmission system:

- Load 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 load flow format compatible with that used by the Transmission Provider
- Operating restrictions needed for reliability
- Operating guides employed by system operators
- Contractual restrictions or committed uses of the Eligible

Customer's transmission system, other than the 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 Control Area ties with other Control 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) Any additional information required of the Transmission Customer as specified in: (1) the Transmission Provider's planning process established in Attachment K; and (2) Attachment O.

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

that fully complies with the requirements of this section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

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

Network Integration Transmission Service shall not commence until the 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. The 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 the 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.

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 or participating in the EIM in accordance with Attachment O. Notwithstanding the preceding sentence, a designated Network Resource may be used to supply power to a third party on a firm basis to address or forestall an Emergency without a corresponding undesignation of that Network Resource. The supply of such power from the Network Resource may not last for more than two consecutive hours without undesignation and, within one business day of the last delivery of such emergency power, the Network Customer shall provide a notice to the Transmission Provider containing the

details of such supply. Within one business day of receipt of such notice from the Network Customer, Transmission Provider will post the notice on its OASIS. 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 the Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made through the 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 the 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 a part of a generating resource as a Network Resource by providing notification to the Transmission Provider through OASIS as soon as reasonably practicable, but not later than following deadlines: (1) for terminations of a day or longer, no later than 3 p.m. PPT the day before the undesignation is to take effect; and (2) for termination with a duration of less than a day, as early as possible, but no later than 20 minutes before the start of the e-tag to which the undesignation applies. 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 the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff. Information provided by a Network Customer necessary to redesignate a Network Resource following a period of temporary termination may incorporate by reference information provided pursuant to Section 29 when that resource was first designated; provided, however, a Network Customer must provide a renewed attestation, as required by Section 29.2(viii), in order to properly redesignate the Network Resource.

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 Control 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 LADWP EIM Participating Resources responding to Dispatch Instructions or to changes in the operation of a Transmission Customer's Network Resources at the request of the 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 the 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 the Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4. Schedule 11 of this Tariff specifies 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 the Transmission Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service. Power from a Substitute Designated Network Resource may be transmitted over network transmission capacity reserved under Section 29 for the Bookout Network Resource, provided that the Network Customer must document the Substitute Designated Network Resource on its e-tag submitted to the Transmission Provider. Transmission Provider reserves the right to audit a Network Customer's compliance with this requirement. A Network Customer need not undesignate

a Network Resource before engaging in a Bookout involving that Network Resource.

30.5 Network Customer Redispatch Obligation:

As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.

30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The 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 the Transmission Provider's Transmission System. The 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.

30.7 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.

30.8 Use of Interface Capacity by the Network Customer:

There is no limitation upon a Network Customer's use of the 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 the Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's Load.

30.9 Network Customer Owned Transmission Facilities:

The Network Customer that owns existing transmission facilities that are integrated with the 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 the Transmission Provider, to serve its power and transmission customers. For facilities added by the Network Customer subsequent to January 29, 2019 at 00:00, the Network Customer shall receive credit for such

transmission facilities added if such facilities are integrated into the operations of the 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 the Transmission Provider, would be eligible for inclusion in the 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 the 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 the Transmission Provider:

The Network Customer shall provide the 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. The 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 32.4 and shall be charged to the Network Customer in accordance with LADWP's policies.

31.3 Network Load Not Physically Interconnected with the Transmission Provider

This section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with the Transmission Provider. To the extent that the Network Customer desires to obtain transmission service for a load outside the 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 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 the Transmission Provider's Transmission System and a Network Load, the Network Customer shall provide the 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 the Transmission Provider and charged to the Network Customer as reflected in the Service Agreement. However, the 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 the 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 the Transmission

Provider's planning process in Attachment K. The Network Customer also shall provide the 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 the 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, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and

return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest.

32.2 System Impact Study Agreement and Cost Reimbursement:

(i) The System Impact Study Agreement will clearly specify the 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, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

(ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to

accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.

(iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the 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, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including, to the extent possible, an estimate of the cost of redispatch, (3) available options for installation of automatic devices to curtail service (when requested by an Eligible Customer), and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on

the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the 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 the Eligible Customer as soon as the System Impact Study is complete. The 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. The Transmission Provider shall notify the 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) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or the Application shall be deemed terminated and withdrawn.

32.4 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the 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 the Eligible Customer, (ii) the Eligible Customer's appropriate

share of the cost of any required Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30) 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, the 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 the Transmission Provider determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The Transmission Provider will notify all affected Network Customers in a timely

manner of any scheduled Curtailment.

33.2 Transmission Constraints:

During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures pursuant to the Network Operating Agreement to redispatch all Network Resources and the Transmission Provider's own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers and any Network Customer's use of the Transmission System to serve its designated Network Load.

33.3 Cost Responsibility for Relieving Transmission Constraints:

Whenever the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint, the Transmission Provider

and Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

33.4 Curtailments of Scheduled Deliveries:

If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Network Operating Agreement or pursuant to the Transmission Loading Relief procedures specified in Attachment J.

33.5 Allocation of Curtailments:

The 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 the Transmission Provider and Network Customer in proportion to their respective Load Ratio Shares. The Transmission Provider shall not direct the Network Customer to Curtail schedules to an extent greater than the Transmission Provider would Curtail the Transmission Provider's schedules under similar circumstances.

33.6 Load Shedding:

To the extent that a system contingency exists on the Transmission Provider's

Transmission System and the Transmission Provider determines that it is necessary for the 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.

33.7 System Reliability:

Notwithstanding any other provisions of this Tariff, the 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 the 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 the Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the 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. The 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 the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers. The 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 the Transmission Provider for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with LADWP requirements, 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 the 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 the Transmission Provider under Section 31.3) coincident with the Transmission

Provider's Monthly Transmission System Peak.

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

The Transmission Provider's monthly Transmission System load is the 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 Redispatch Charge:

The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and the Transmission Provider pursuant to Section 33. To the extent that the Transmission Provider incurs an obligation to the Network Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer's bill for the applicable month.

34.5 Stranded Cost Recovery:

The Transmission Provider may seek to recover stranded costs from the Network Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888 and pursuant to any other applicable law. The Transmission Provider's proposed stranded

cost recovery shall be subject to the dispute resolution procedures of this Tariff.

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 the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch

required under Section 33, 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 Control Area under applicable guidelines of the Electric Reliability Organization (ERO) as defined in 18 C.F.R. § 39.1, (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or (iii) satisfy its Control 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. The 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:

If there are Network Customers, a Network Operating Committee (Committee) shall be established to coordinate operating criteria for the Parties' respective responsibilities under the Network Operating Agreement.

If a Committee is established, each Network Customer shall be entitled to have at least one representative on the Committee, and 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 Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control 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 Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

All Transmission Customers required to acquire Scheduling, System Control and Dispatch Service shall pay a charge invoiced monthly for Scheduling, System Control and Dispatch Service provided by the Transmission Provider equal to the amount set forth below. For Point-to-Point Transmission Service, the rate shall be applied to the Transmission Customer’s Reserved Capacity.

Schedule 1 - Scheduling, System Control and Dispatch Service

Service	Period	Rates
Hourly	On-Peak	$0.494/MWh
Hourly	Off-Peak	$0.235/MWh
Daily	Full	$0.006/kW-day
Weekly	Full	$0.040/kW-mo
Monthly	Full	$0.171/kW-mo
Yearly	Full	$2.055/kW-yr

SCHEDULE 1A

EIM Administrative Service

This service recovers the administrative costs assessed by the CAISO as the MO of the EIM to the LADWP EIM Entity in accordance with Sections 4.5.1.1.4, 4.5.1.3, 11.22.8, and 29.11(i) of the MO Tariff (EIM Administrative Costs). All Transmission Customers purchasing Long Term Firm Point-to-Point Transmission Service, Short-Term Firm Point-to-Point Transmission Service, Non-Firm Point-to-Point Transmission Service, or Network Integration Transmission Service from the Transmission Provider shall be required to acquire EIM Administrative Service from the Transmission Provider.

EIM Administrative Costs assigned to the LADWP EIM Entity shall be sub-allocated to Transmission Customers on the basis of Measured Demand for the time period in which the EIM Administrative Costs were incurred.

SCHEDULE 2

Reactive Supply and Voltage Control from Generation or Other Sources Service

In order to maintain transmission voltages on the 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 control 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 the 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 the 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 the Transmission Provider.

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

service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the Control Area operator.

All Transmission Customers required to acquire reactive supply and voltage control shall pay a charge invoiced monthly for reactive supply and voltage control equal to the amount set forth below. For Point-to-Point Transmission Service, the rate shall be applied to the Transmission Customer's Reserved Capacity.

Schedule 2 – Reactive Supply and Voltage Control from Generation and Other Sources Service

Service	Period	Rates
Hourly	On-Peak	$0.395/MWh
Hourly	Off-Peak	$0.187/MWh
Daily	Full	$0.005/kW-day
Weekly	Full	$0.032/kW-wk
Monthly	Full	$0.137/kW-mo
Yearly	Full	$1.642/kW-yr

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 the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider).

The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation.

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

1. Regulation and Frequency Response Service Requirements:

The Transmission Customer's total load within the Transmission Provider's Control Area shall not exceed the Transmission Customer's Reserved Capacity, and the Transmission Provider shall have no obligation to provide this service for any other loads of the Transmission Customer.

A Transmission Customer purchasing Regulation and Frequency Response Service will be required to purchase an amount of such service equal to 1.885 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service. Where the Transmission Customer's Reserved Capacity is used to deliver power from a non-dispatchable resource physically or electrically located in the Transmission Provider's Control Area to the Transmission Customer's load, the Transmission Customer shall purchase Generator Regulation and Frequency Response Service under Schedule 10. The Transmission Provider may not charge a Transmission Customer for service under both Schedule 3 and Schedule 10 for the same Reserved Capacity. The billing determinants for this service shall be reduced by any portion of the 1.885 percent purchase obligation that a Transmission Customer obtains from third-parties or supplies itself.

2. Compensation to for Regulation and Frequency Response Service:

All Transmission Customers required to acquire Regulation and Frequency Response Service shall pay a charge invoiced monthly equal to the amount set forth below.

Schedule 3 – Regulation and Frequency Response Service

Service	Period	Rates
Hourly	On-Peak	$33.473/MWh
Hourly	Off-Peak	$15.896/MWh
Daily	Full	$0.383/kW-day
Weekly	Full	$2.678/kW-wk
Monthly	Full	$11.604/kW-mo
Yearly	Full	$139.249/kW-yr

SCHEDULE 4

Energy Imbalance Service

This Schedule 4 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended. In accordance with Section 10 of Attachment O of this Tariff, Schedule 4A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended.

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within the LADWP EIM Entity BAA over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within the LADWP EIM Entity BAA. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

A Transmission Customer shall be charged or paid for Energy Imbalance Service measured as the deviation of the Transmission Customer's metered load compared to the load component of the Transmission Customer Base Schedule (as determined pursuant to Section 4.2.4 of Attachment O of this Tariff) settled as UIE for the period of the deviation at the applicable LAP price where the load is located, as determined by the MO under Section 29.11(b)(3)(C) of the MO Tariff.

SCHEDULE 4A

Energy Imbalance Service when EIM Suspended

In accordance with Section 10 of Attachment O of this Tariff, this Schedule 4A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended. Schedule 4 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended.

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. An Interconnection Customer, as defined in Attachment M or N of the Tariff, as applicable, must pay imbalance charges in accordance with this Schedule. The Transmission Customer must either purchase this service from the 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 Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a 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 Transmission Provider has established charges for energy imbalance based on the deviation bands as follows:

(i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, using the Hourly Pricing Proxy;

(ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent the Hourly Pricing Proxy for under-scheduling or 90 percent of the Hourly Pricing Proxy for over-scheduling; and

(iii) deviation greater than +/- 7.5 percent (or greater than 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of the

Hourly Pricing Proxy for under-scheduling or 75 percent of the Hourly Pricing Proxy for over-scheduling.

Hourly Pricing Proxy: For purposes of this Schedule, "Hourly Pricing Proxy" is defined as the average price for each hour of the delivered energy price at SP15 day-ahead Index. In the event the referenced index price is negative, the referenced index price shall be deemed to be zero dollars ($0). At the end of each month, the Transmission Provider shall calculate the Hourly Pricing Proxy using pricing information from Dow Jones, the California ISO or another authenticated source.

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. The Transmission Provider must offer this service when the transmission service is used: (a) to serve load within the Transmission Provider's Control Area and (b) to support sales from generators located within its Control Area. The Transmission Customer must either purchase this service from the 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 Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

1. **Spinning Reserve Service Requirements:**

The Transmission Customer may purchase Spinning Reserve Service under this Tariff to satisfy its spinning reserve obligations commensurate with the amount of Reserved Capacity purchased from the Transmission Provider. Specifically, the Transmission Customer's total load within the Transmission Provider's Control Area

shall not exceed the Transmission Customer's Reserved Capacity, and the Transmission Provider shall have no obligation to provide this service for any other loads of the Transmission Customer.

If spinning reserves are provided by any party other than the Transmission Provider, sufficient transmission capacity shall be purchased to provide for the delivery of spinning reserves under any credible single contingency. Spinning reserves shall not be provided by the same generation resource supplying load, since loss of this resource represents a credible single contingency.

The Transmission Customer shall identify in its Application the manner by which it intends to provide for spinning reserves. The use of any resources owned by parties other than the Transmission Provider as spinning reserve resources shall be subject to verification by the Transmission Provider, and such resources shall conform to applicable WECC and NERC criteria for spinning reserves.

A Transmission Customer purchasing Spinning Reserve Service will be required to purchase an amount of such service equal to 4.549 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service. However, a Transmission Customer shall purchase an amount of Spinning Reserve Service equal to 50 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service when the scheduled generation is determined by the Transmission Provider to be the most-severe-single contingency of the Transmission Provider during

the period of time in which service is provided. The billing determinants for this service shall be reduced by any portion of the percent purchase obligation that a Transmission Customer obtains from third-parties or supplies itself.

2. **Compensation for Spinning Reserve Service:**

All Transmission Customers required to acquire Spinning Reserve Service shall pay a charge invoiced monthly equal to the amount set forth below.

Schedule 5 – Operating Reserve – Spinning Reserve Service

Service	Period	4.549% Purchase Requirement or 50% Purchase Requirement Rates
Hourly	On-Peak	$32.957/MWh
Hourly	Off-Peak	$15.651/MWh
Daily	Full	$0.377/kW-day
Weekly	Full	$2.637/kW-wk
Monthly	Full	$11.425/kW-mo
Yearly	Full	$137.103/kW-yr

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. The Transmission Provider must offer this service when the transmission service is used: (a) to serve load within its Control Area and (b) to support sales from generators located within its Control Area. The Transmission Customer must either purchase this service from the 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 Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

1. **Supplemental Reserve Service Requirements:**

The Transmission Customer may purchase Supplemental Reserve Service under this Tariff to satisfy its supplemental reserve obligations commensurate with the amount of Reserved Capacity purchased from the Transmission Provider. Specifically, the

Transmission Customer's total load within the Transmission Provider's Control Area shall not exceed the Transmission Customer's Reserved Capacity, and the Transmission Provider shall have no obligation to provide this service for any other loads of the Transmission Customer.

If supplemental reserves are provided by any party other than the Transmission Provider, sufficient transmission capacity shall be purchased to provide for the delivery of supplemental reserves under any credible single contingency.

The Transmission Customer shall identify in its Application the manner by which it intends to provide for supplemental reserves. The use of any resources owned by parties other than the Transmission Provider as supplemental reserve resources shall be subject to verification by the Transmission Provider, and such resources shall conform to applicable WECC and NERC criteria for supplemental reserves.

A Transmission Customer purchasing Supplemental Reserve Service will be required to purchase an amount of such service equal to 4.549 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service. However, a Transmission Customer shall purchase an amount of Supplemental Reserve Service equal to 50 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service when the scheduled generation is determined by the Transmission Provider to be the most-severe-single contingency of the Transmission Provider during the period of time in which service is provided. The billing determinants

for this service shall be reduced by any portion of the percent purchase obligation that a Transmission Customer obtains from third-parties or supplies itself.

2. **Compensation for Supplemental Reserve Service:**

All Transmission Customers required to acquire Supplemental Reserve Service shall pay a charge invoiced monthly equal to the amount set forth below.

Schedule 6 – Operating Reserve – Supplemental Reserve Service

Service	Period	4.549% Purchase Requirement or 50% Purchase Requirement Rates
Hourly	On-Peak	$9.484/MWh
Hourly	Off-Peak	$4.504/MWh
Daily	Full	$0.108/kW-day
Weekly	Full	$0.759/kW-wk
Monthly	Full	$3.288/kW-mo
Yearly	Full	$39.455/kW-yr

SCHEDULE 7

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

A. Rates: The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

1) **Yearly delivery**: one-twelfth of the demand charge of $49.630/kW of Reserved Capacity per year.
2) **Monthly delivery**: $4.136/kW of Reserved Capacity per month.
3) **Weekly delivery**: $0.954/kW of Reserved Capacity per week.
4) **Daily delivery**: $0.136/kW of Reserved Capacity per day.
5) **On-Peak Hourly delivery**: $11.930/MW of Reserved Capacity per hour.
6) **Off-Peak Hourly delivery**: $5.666/MW of Reserved Capacity per hour.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts or megawatts of Reserved Capacity in any day during such week. The basic charge for Hourly delivery shall not exceed the price per megawatts of Reserved Capacity per hour specified in sections (5) or (6) above during on-peak and off-peak hours, respectively. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (4) above for Daily delivery times the highest

amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (3) above for Weekly delivery times the highest amount in kilowatts of Reserved Capacity in any hour during such week. For purposes of Hourly Delivery under this Schedule 7, "on-peak" hours shall be hours ending 07:00 through 22:00 PPT, Monday through Saturday excluding holidays, and "off-peak" hours shall be all other hours.

B. Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the 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, the 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.

C. 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

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

1) **Monthly delivery**: $4.136/kW of Reserved Capacity per month.

2) **Weekly delivery**: $0.954/kW of Reserved Capacity per week.

3) **Daily delivery**: $0.136/kW of Reserved Capacity per day.

4) **On-Peak Hourly delivery**: $11.930/MW of Reserved Capacity per hour.

5) **Off-Peak Hourly delivery**: $5.666/MW of Reserved Capacity per hour.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week. The basic charge for Hourly delivery shall not exceed the price per megawatts of Reserved Capacity per hour specified in sections (4) or (5) above during on-peak and off-peak hours, respectively. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (4) or (5) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity

in any hour during such week. For purposes of Hourly Delivery under this Schedule 8, "on-peak" hours shall be hours ending 7:00 through 22:00 PPT, Monday through Saturday excluding holidays, and "off-peak" hours shall be all other hours.

B. Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the 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, the 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.

C. 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

This Schedule 9 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended. In accordance with Section 9 of Attachment O of this Tariff, Schedule 9A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended.

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the LADWP EIM Entity BAA that is not an LADWP EIM Participating Resource, and the resource component of the Transmission Customer Base Schedule from that generator to (1) a load external to the LADWP EIM Entity BAA or (2) a load within the LADWP EIM Entity BAA over a single hour. The 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 Control Area. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator.

The Transmission Provider shall establish charges for Generator Imbalance Service as follows (the following provisions do not apply to Transmission Customers

which have received a Manual Dispatch or EIM Available Balancing Capacity dispatch or which have communicated physical changes in the output of resources to the MO):

A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer's metered generation compared to the resource component of the Transmission Customer Base Schedule settled as UIE by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff.

The following provisions shall apply to Transmission Customers which have received a Manual Dispatch or EIM Available Balancing Capacity dispatch, or which have communicated physical changes in the output of resources to the MO or for other reasons imbalance energy is calculated by the MO:

(1) (a) A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer's metered generation compared to the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in the FMM or for other instructions by the MO, as UIE calculated by the MO for the period of the deviation at the applicable PNode RTD price where the

generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff; or

(b) A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer's metered generation compared to the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in RTD or for other instructions by the MO, as UIE calculated by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff;

and

(2) (a) A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of either the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in the FMM or for other instructions by the MO, compared to the resource component of the Transmission Customer Base Schedule, as IIE calculated by the MO for the period of the deviation at the applicable PNode FMM

price where the generator is located, as determined by the MO under Section 29.11(b)(1)(A)(ii) of the MO Tariff; or

(b) Generator Imbalance Service measured as the deviation of either the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in RTD or for other instructions by the MO, compared to the FMM schedule, as IIE calculated by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(2)(A)(ii) of the MO Tariff.

Applicability to Interconnection Customers: To the extent the Interconnection Customer is a different entity than the Transmission Customer and controls the output of a generator located in the Transmission Provider's Control Area, the Interconnection Customer may be subject to charges for Generator Imbalance Service (rather than the Transmission Customer) in accordance with this Schedule 9.

SCHEDULE 9A

Generator Imbalance Service when EIM Suspended

In accordance with Section 10 of Attachment O of this Tariff, this Schedule 9A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended. Schedule 9 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended.

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Provider's Control Area and a delivery schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider's Control Area over a single hour. An Interconnection Customer, as defined in Attachment M or N of the Tariff, as applicable, must pay imbalance charges in accordance with this Schedule. The 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 Control Area.

The Transmission Customer must either purchase this service from the 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 Control Area operator performs this

service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator. The 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 Transmission Provider shall charge for Generator Imbalance Service based on the deviation bands as follows:

(i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, using the Hourly Pricing Proxy;

(ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent the Hourly Pricing Proxy for under-scheduling or 90 percent of the Hourly Pricing Proxy for over-scheduling; and

(iii) deviations greater than +/- 7.5 percent (or greater than 10 MW) of

the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of the Hourly Pricing Proxy for under-scheduling or 75 percent of the Hourly Pricing Proxy for over-scheduling, except that an intermittent resource will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5 percent or 2 MW. An intermittent resource, for the limited purpose of this Schedule is an electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security constraints.

Hourly Pricing Proxy: For purposes of this Schedule, "Hourly Pricing Proxy" is defined as the average price for each hour of the delivered energy price at SP15 day-ahead Index. In the event the referenced index price is negative, the referenced index price shall be deemed to be zero dollars ($0). At the end of each month, the Transmission Provider shall calculate the Hourly Pricing Proxy using pricing information from Dow Jones, the California ISO or another authenticated source.
Notwithstanding the foregoing, deviations from scheduled transactions in order to respond to directives by the Transmission Provider, a Control Area, or a reliability coordinator shall not be subject to the deviation bands identified above and, instead, shall be settled financially, at the end of the month, at 100 percent of the Hourly Pricing Proxy.

Such directives may include instructions to correct frequency decay, respond to a reserve sharing event, or change output to relieve congestion.

SCHEDULE 10

Generator Regulation and Frequency Response Service

Generator 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). Generator 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/or by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in generation output. The obligation to maintain this balance between resources and the generator's schedule lies with the Transmission Provider (or the Control Area that performs this function for the Transmission Provider).

The Transmission Provider (or the Control Area that performs this function for the Transmission Provider) must offer this service when transmission service is used to deliver energy from a generator physically or electrically located within the Transmission Provider's Control Area. Generator Regulation and Frequency Response Service applies to the extent that a Transmission Customer is not already subject to Regulation and Frequency Response Service provided under Schedule 3 for the same Reserved Capacity. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-

generation resources or processes capable of providing this service, to satisfy its Generator Regulation and Frequency Response Service obligation.

The amount of and charges for Generator Regulation and Frequency Response Service are set forth below. To the extent a Control Area performs this service for the Transmission Provider, charges to the Transmission Customer or generator are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area. The Transmission Provider may not charge a Transmission Customer for service under both Schedule 3 and Schedule 10 for the same Reserved Capacity.

1. **Generator Regulation and Frequency Response Service Requirements**:

The Transmission Customer or generator shall identify in its Application the manner by which it intends to provide for Generator Regulation and Frequency Response Service. The use of any resources owned by parties other than the Transmission Provider shall conform to applicable the Western Electricity Coordinating Council (WECC) and the North American Electric Reliability Council (NERC) criteria.

A Transmission Customer or generator delivering energy outside of the Transmission Provider's Control Area from a dispatchable generation resource and purchasing Generator Regulation and Frequency Response Service will be required to purchase such service based on 1.885 percent of the maximum name plate capacity of the generator.

A Transmission Customer delivering energy from a non-dispatchable generating resource: (a) to load in the Transmission Provider's Control Area, or (b) outside of the Transmission Provider's Control Area, shall in each case purchase Generator Regulation and Frequency Response Service based on 14.272 percent of the maximum name plate capacity of the generator.

The billing determinants for this service shall be reduced by any portion of the purchase obligation that a Transmission Customer or generator obtains from third-parties or supplies itself.

2. Compensation to for Generator Regulation and Frequency Response Service:

All Transmission Customers required to acquire Generator Regulation and Frequency Response Service shall pay a charge invoiced monthly equal to the amount set forth below.

Schedule 10 – Generator Regulation and Frequency Response Service

Service	Period	1.885% Purchase Requirement (Note 1) Rates	14.272% Purchase Requirement (Note 1) Rates
Hourly	On-Peak	$33.479/MWh	$33.479/MWh
Hourly	Off-Peak	$15.898/MWh	$15.898/MWh
Daily	Full	$0.383/kW-day	$0.383/kW-day
Weekly	Full	$2.678/kW-wk	$2.678/kW-wk
Monthly	Full	$11.606/kW-mo	$11.606/kW-mo
Yearly	Full	$139.271/kW-yr	$139.271/kW-yr

Note 1: 1.885% Purchase Requirement applies when using a dispatchable generation resource. 14.272% Purchase Requirement applies when using a non-dispatchable generation resource.

SCHEDULE 11

Unreserved Use of Transmission Service

Subject to Attachment O, Section 8.7 of this Tariff, the Transmission Provider will impose an Unreserved Use charge and penalty in any circumstance where the 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 11, and in accordance with Section 13.4 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, the 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 and penalty. The Transmission Provider will calculate unreserved use penalties as follows:

1. The penalty for a single hour of Unreserved Use is two times the 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;
2. More than one Unreserved Use penalty assessment for service of a given duration will increase the penalty period to the next longest duration (e.g., hourly to daily, daily to weekly, weekly to monthly), with the penalty being two times the Transmission Provider's rate in effect at the time of the Unreserved Use for Firm

Point-To-Point Transmission Service for the applicable service duration; and

3. For the actual period of Unreserved Use, the Transmission Provider will charge the Eligible Customer for any ancillary services associated with the customer's Unreserved Use pursuant to the terms of Schedules 1, 2, 3, 4, 5, 6, 8, 9 and 10 of the Tariff.

SCHEDULE 12

Real Power Losses

This Schedule 12 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended. In accordance with Section 10 of Attachment O of this Tariff, Schedule 12A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended.

The Transmission Customer taking Network Integration Transmission Service, Firm Point-to-Point, or Non-Firm Point-to-Point Transmission Service, excluding Energy Imbalance Service and Generator Imbalance Service, shall reimburse the Transmission Provider for Real Power Losses as provided in Sections 15.7 and 28.5 of this Tariff. The Transmission Customer must financially settle for Real Power Losses by reimbursement as specified herein.

Settlement of Real Power Losses associated with Energy Imbalance Service shall be pursuant to Schedule 4 of this Tariff, and settlement of Real Power Losses associated with Generator Imbalance Service shall be pursuant to Schedule 9 of this Tariff. The procedures to determine the amount of Real Power Losses associated with a Transmission Customer's Base Schedule, as well as the reimbursement for Real Power Losses, are set forth below.

The amount of Real Power Losses assessed to a Transmission Customer in a given hour shall be the product of such Transmission Customer Base Schedule during the hour in MWhs and the applicable loss factor(s) provided in Sections 15.7 and 28.5.

The Transmission Customer shall compensate the Transmission Provider at a rate equal to the amount of Real Power Losses assessed to such Transmission Customer in a given hour multiplied by the hourly LAP price for the LADWP EIM Entity BAA in that hour as established by the MO under section 29.11 (b)(3)(C) of the MO Tariff.

SCHEDULE 12A

Real Power Losses when EIM Suspended

In accordance with Section 10 of Attachment O of this Tariff, this Schedule 12A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended. Schedule 12 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended.

Transmitting electricity at high voltage results in fractional energy lost due to resistance, which varies depending on voltage level and length of the transmission element. For any transmission service, there is an associated real power loss.

1. Loss Path

Transmission Customer acquiring Firm, or Non-Firm Point-to-Point Transmission Service or Network Integration Transmission Service shall reimburse Transmission Provider for Real Power Losses that result from transmitting electric energy across the Transmission Provider's Transmission System and such Real Power Losses will be assessed based on the Real Power Loss factor associated with the following paths:

a. Any path using the Pacific Direct Current Intertie or Intermountain Power Project Direct Current transmission line; or

b. Any path using the Palo Verde and Sylmar segments; or

c. Any path using alternating current segments.

2. Loss Settlement

Real Power Losses shall be the percentage identified in Section 15.7 and/or Section 28.5 of the Tariff, as applicable, multiplied by Transmission Customer's usage (measured in MWhs) as measured by the revenue-quality meter(s) installed at the Point(s) of Receipt during each hour less any curtailments, correction or adjustments mutually agreed on by Transmission Provider and Transmission Customer.

Transmission Customer shall compensate the Transmission Provider for each hour of service provided at a rate equal to the Hourly Pricing Proxy as defined in Schedule 4A or 9A.

ATTACHMENT A

Form Of Service Agreement For
Firm Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ ("Transmission Customer").

2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.

3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff. This section does not apply to Short-Term Transmission Agreements.

4.0 Service under this agreement shall commence on the later of (l) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

6.0 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:

_____

_____

_____

7.0 The Tariff is incorporated herein and made a part hereof.

8.0 For Long-Term Firm Point-to-Point Service, Transmission Customer has included the two-page form entitled *"Specifications For Long-Term Firm Point-To-Point Transmission Service"* and such form is made a part of this agreement.

9.0 The following provision applies, only if the contract term is two (2) years or more:

Automatic renewal option: This TSA will automatically renew for an additional term of two (2) years, unless either Party notifies the other party of the termination of this automatic renewal option on or before the date that is one (1) year prior the last day of the initial term of the TSA, and one (1) year prior to the last day of each subsequent term of the TSA thereafter.

10. If applicable (refer to Section 5.2 of the Tariff), Transmission Customer has attached the executed Governmental Use Certificate (refer to Attachment A-2 of the Tariff).

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

Transmission Provider:

By: _____ _____ _____
Name Title Date

Transmission Customer:

By: _____ _____ _____
Name Title Date

Specifications For Long-Term Firm Point-To-Point
Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

_____

3.0 Point(s) of Receipt:_____

Delivering Party:_____

4.0 Point(s) of Delivery:_____

Receiving Party:_____

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity):_____

6.0 Designation of party(ies) subject to reciprocal service obligation:_____
_____
_____
_____

7.0 Name(s) of any intervening systems providing transmission service:_____
_____

8.0 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.)

8.1 Transmission Charge:_____
_____

8.2 System Impact and/or Facilities Study Charge(s):
_____
_____

8.3 Direct Assignment Facilities Charge:_____
_____

8.4 Ancillary Services Charges: _____
_____
_____
_____
_____
_____
_____

ATTACHMENT A-1

Form Of Service Agreement
For The Resale, Assignment Or Transfer
Of Point-To-Point Transmission Service

An existing Transmission Customer in good standing may resell Point-to-Point Transmission Service ("Reseller") to another party ("Assignee"), which hereinafter may be referred to collectively as "Parties" and individually as "Party." Both Reseller and Assignee must execute this Form Of Service Agreement For The Resale, Assignment Or Transfer of Point-To-Point Transmission Service prior to the scheduling of any transmission service related hereto.

1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), _____ (the Reseller), and _____ (the Assignee).

2.0 Terms used herein with initial capitalization, whether in the singular or the plural, shall have the meanings specified in the Tariff and are hereby incorporated into this Service Agreement. Terms used herein, whether in the singular or the plural, which are not defined in the Tariff shall have the meanings set forth below:

2.1 Parent Reservation – an existing, confirmed reservation being modified by a Resale.

2.2 Resale – The request to convey scheduling rights associated with a reservation for Point-To-Point Transmission Service from a Reseller to an Assignee.

3.0 Transmission Provider shall provide Point-To-Point Transmission Service and Ancillary Services to the Assignee in accordance with Section 23 of the Tariff for each Resale transaction requested under this Service Agreement after each of the following conditions has been satisfied:

3.1 Assignee has entered into an agreement for Resale with Reseller;

3.2 Reseller has been determined by Transmission Provider to have submitted on Transmission Provider's OASIS a Completed Application;

3.3 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained and Reseller and Assignee have executed this Service Agreement;

3.4 Reseller has resold Point-To-Point Transmission Service (Parent Reservation) purchased on Transmission Provider's OASIS for which Transmission Provider is the primary provider and for which there is sufficient available capacity on the Parent Reservation for the requested duration. The transmission service being resold may not have been previously scheduled, redirected, resold or otherwise encumbered; and

3.5 The Resale Transaction must be confirmed on OASIS prior to scheduling the capacity.

4.0 Assignee agrees to supply information Transmission Provider deems reasonably necessary in accordance with the provisions of Parts I and II of the Tariff and this Service Agreement.

5.0 Once the Assignee has met the conditions in Section 3 of this Service Agreement, Transmission Provider agrees to provide and Assignee agrees to take Point-To-Point Transmission Service and Ancillary Services requested for a transaction in accordance with the terms and conditions of Parts I and II of the Transmission Provider's Tariff, except for those terms and conditions specifically agreed to by Transmission Provider and included herein. .

6.0 Assignee acknowledges that it may be required by Reseller to compensate Reseller for Real Power Losses for which Reseller has compensated Transmission Provider in accordance with Schedule 12.

7.0 Assignee acknowledges that it may be required by Reseller to compensate Reseller for penalties as are provided for in the Tariff.

8.0 Transmission Provider is not responsible for administering any financial arrangements between the Reseller and the Assignee, including without limitation, the payment of financial losses.

9.0 Reseller remains liable for any and all financial obligations and payments to

Transmission Provider under the original service agreement and Parent Reservation. Transmission Provider will not accept payment from an Assignee for a resale transaction on behalf of a Reseller.

10.0 Any request from Assignee to redirect must be made on the Transmission Provider's OASIS, list Transmission Provider as the Provider and Seller, and may be subject to additional charges or credits if accepted and confirmed.

11.0 Any Resale reservation is subject to displacement should the Parent Reservation be displaced by a higher priority request.

12.0 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.

13.0 If applicable (refer to Section 5.2 of the Tariff), Transmission Customer has attached the executed Governmental Use Certificate (refer to Attachment A-2 of the Tariff).

Transmission Provider:

_____

_____

_____

Assignee:

_____

_____

Reseller:

_____

_____

14.0 The Tariff is incorporated herein and made a part hereof.

For Resale or Assignment of Long-Term Firm Point-to-Point Service, Assignee has included the two-page form entitled *"Specifications For The Resale, Assignment Or Transfer of Long-Term Firm Point-To-Point Transmission Service"* and such form is made a part of this agreement.

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

Transmission Provider:

By:_____ _____ _____
Name Title Date

Assignee:

By:_____ _____ _____
Name Title Date

Reseller:

By:_____ _____ _____
Name Title Date

Specifications For The Resale, Assignment Or Transfer of
Long-Term Firm Point-To-Point Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

_____

3.0 Point(s) of Receipt:_____

Delivering Party:_____

4.0 Point(s) of Delivery:_____

Receiving Party:_____

5.0 Maximum amount of reassigned capacity: _____

6.0 Designation of party(ies) subject to reciprocal service obligation:_____
_____
_____
_____

7.0 Name(s) of any Intervening Systems providing transmission service:_____
_____

8.0 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.)

8.1 Transmission Charge:_____

_____

8.2 System Impact and/or Facilities Study Charge(s):

_____

_____

8.3 Direct Assignment Facilities Charge:_____

_____

8.4 Ancillary Services Charges: _____

_____

_____

_____

_____

_____

_____

9.0 Name of Reseller of the reassigned transmission capacity:

_____

Attachment A-2

FORM OF

GOVERNMENTAL PERSON USE CERTIFICATE

PURSUANT TO SECTION 5.2

In connection with the execution of any transmission service agreement (the "TSA") between the Los Angeles Department of Water and Power ("Transmission Provider") and [NAME of COUNTER PARTY] ("Eligible Customer"), relating to Transmission Service provided over certain transmission facilities described therein (the "Facilities"), Eligible Customer certifies, represents and agrees as follows:

Officer Signing. I am the duly [elected/appointed] [Title] of Eligible Customer, authorized to sign this Certificate.

Tax-Exempt Bonds. Eligible Customer understands that this Certificate relates to Facilities that were financed with tax-exempt bonds, Build America Bonds and/or Qualified Energy Conservation Bonds, issued by or on behalf of the Transmission Provider.

Governmental Status. The Eligible Customer is a municipal utility that is owned by a state (of the United States) or local governmental unit or a political subdivision or instrumentality thereof, or is itself a state (of the United States) or local governmental unit or a political subdivision or instrumentality thereof (a "Governmental Person").

Qualifying Use. Except as provided below, for the term of any TSA, including any renewal periods, the Eligible Customer will use the Facilities to transmit electricity only in connection with its retail electric system in providing electricity to its retail electric customers.

Short-term Uses. Any sale, assignment, transfer or lay-off in any manner of any service provided to the Eligible Customer under any TSA shall comply with the Tariff procedures for resale, assignment or transfer of service, including but not limited to Sections 5.2.5 and Section 23 of this Tariff.

Governmental Person Uses Permitted. In the event there is to be a sale, lay-off, or other transfer in any manner, of any service pursuant to any TSA, by the Eligible Customer, to another Governmental Person for a period of longer than 3 years, such may only be permitted if such other Governmental Person satisfies the requirements of Section 5.2 and executes a form of this Certificate.

Transfers to ISOs/RTOs. Eligible Customer may transfer its rights to Transmission Service on Transmission Provider's Facilities to the operational control of an Independent System Operator or Regional Transmission Organization, in which case execution of this Certificate shall not be required, subject to the reasonable but exclusive determination of Transmission Provider that such transfer would not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service. The terms applicable to such transfer shall provide for preservation of the tax-exempt status of financing instruments used to finance the Facilities. Eligible Customer shall provide to Transmission Provider assurance in the form of an unqualified opinion rendered by nationally-recognized bond counsel or similar documentation that is reasonably acceptable to Transmission Provider that transfer of operational control of Eligible Customer's rights to Transmission Service shall not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities.

Additional information. Eligible Customer agrees to immediately inform, in writing, Transmission Provider of any change regarding the foregoing certifications, representations and agreements and agrees that, if such change is reasonably likely, in the discretion of Transmission Provider, to adversely affect the tax-exempt status of the Transmission Providers bonds, Transmission Provider may terminate any TSA in accordance with Tariff Section 5.1, to the extent necessary to prevent such adverse impact.

SUBSCRIBED AND SWORN BEFORE A NOTARY PUBLIC

Dated:

by_____

[Name and title of senior management representative duly authorized to represent Eligible Customer]

ATTACHMENT B

Form Of Service Agreement For Non-Firm Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ (Transmission Customer).

2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.

3.0 Service under this Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer.

4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

6.0 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:

_____

_____

_____

7.0 The Tariff is incorporated herein and made a part hereof.

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

Transmission Provider:

By: _____ _____ _____
Name Title Date

Transmission Customer:

By: _____ _____ _____
Name Title Date

ATTACHMENT C

Methodology To Assess Available Transfer Capability

This Attachment C contains the Transmission Provider's methodology to assess Available Transfer Capability of the Transmission System. Transmission Provider posts its Available Transfer Capability Implementation Document (ATCID) on its OASIS.

1. Definitions

a. Available Transfer Capability (ATC)

ATC means the measure of the transfer capability remaining in the physical transmission network for further commercial activity over and above already committed uses. It is defined as Total Transfer Capability less Existing Transmission Commitments (including retail customer service), less a Capacity Benefit Margin, less a Transmission Reliability Margin, plus Postbacks, plus counterflows.

b. ATC Path

ATC Path means any combination of Point of Receipt and Point of Delivery for which ATC is calculated, and any Posted Path.

c. Capacity Benefit Margin (CBM)

CBM means the amount of firm transmission transfer capability preserved by the transmission provider for Load-Serving Entities (LSEs), whose loads are located on that Transmission Service Provider's system, to enable access by the LSEs to generation from interconnected systems to meet generation reliability requirements. Preservation of CBM for an LSE allows that entity to reduce its installed generating capacity below that which may otherwise have been necessary without interconnections to meet its generation reliability requirements. The transmission transfer capability preserved as CBM is intended to be used by the LSE only in times of emergency generation deficiencies. CBM_s is the CBM for the ATC Path that has been scheduled during that period.

d. Counterflows

Counterflows are adjustments to the Firm or Non-firm ATC on a path when there are Firm or Non-firm Transmission Service scheduled to flow in the opposite direction of the same path.

e. Existing Transmission Commitments (ETC)

ETC means committed uses of a Transmission Service Provider's Transmission system considered when determining ATC. The commitments can be firm (ETC_F) or non-firm (ETC_{NF}).

f. Operating Horizon

Operating Horizon means a specified number of hours extending past the end of the Scheduling Horizon.

g. Planning Horizon

Planning Horizon means a specified number of days extending past the end of the Operating Horizon.

h. Postbacks

Postbacks are changes to Firm or Non-firm ATC based on a change in status of a transmission service reservation or use of reserved capacity, or other conditions as specified by the Transmission Provider in the ATCID.

i. Load Serving Entity (LSE)

LSE means Secures energy and Transmission Service (and related Interconnected Operations Services) to serve the electrical demand and energy requirements of its end-use customers.

j. Scheduling Horizon

Scheduling Horizon means a specified number of hours extending past the current hour.

k. Total Transfer Capability (TTC)

TTC means the amount of electric power that can be moved or transferred reliably from one area to another area of the interconnected transmission systems by way of all transmission lines (or paths) between those areas under specified system conditions.

l. Transmission Reliability Margin (TRM)

TRM means the amount of transmission transfer capability necessary to provide reasonable assurance that the interconnected transmission network will be secure. TRM accounts for the inherent uncertainty in system conditions and the need for operating flexibility to ensure reliable system operation as system conditions change. TRM_U is the TRM for the ATC Path that has not been released for sale (unreleased) as non-firm capacity by the Transmission Provider during that period.

2. Determination of ATC

a. Rated System Path Methodology

Transmission Provider uses the Rated System Path Methodology to calculate ATC. The currently effective version of NERC Reliability Standard MOD-029 ("Rated System Path Methodology") shall apply to calculate TTCs and ATCs for ATC Paths.

b. Description of the Mathematical Algorithms Used to Calculate Firm and Non-Firm ATC

To determine firm and non-firm ATC, the Transmission Provider uses the following algorithms for the Scheduling Horizon, Operating Horizon and Planning Horizon.

The equation to calculate firm ATC is:

$$\mathbf{ATC_F = TTC - ETC_F - CBM - TRM + Postbacks_F + Counterflows_F.}$$

The equation to calculate non-firm ATC is:

$$\mathbf{ATC_{NF} = TTC - ETC_F - ETC_{NF} - CBM^s - TRM_u + Postbacks_{NF} + Counterflows_{NF}.}$$

c. Specific Mathematical Algorithms Used to Calculate Firm and Non-Firm ATC

The specific mathematical algorithms used to calculate firm and non-firm ATC are located on LADWP's OASIS website at:

https://www.oasis.oati.com/LDWP/LDWPdocs/ATC_Algorithms.pdf.

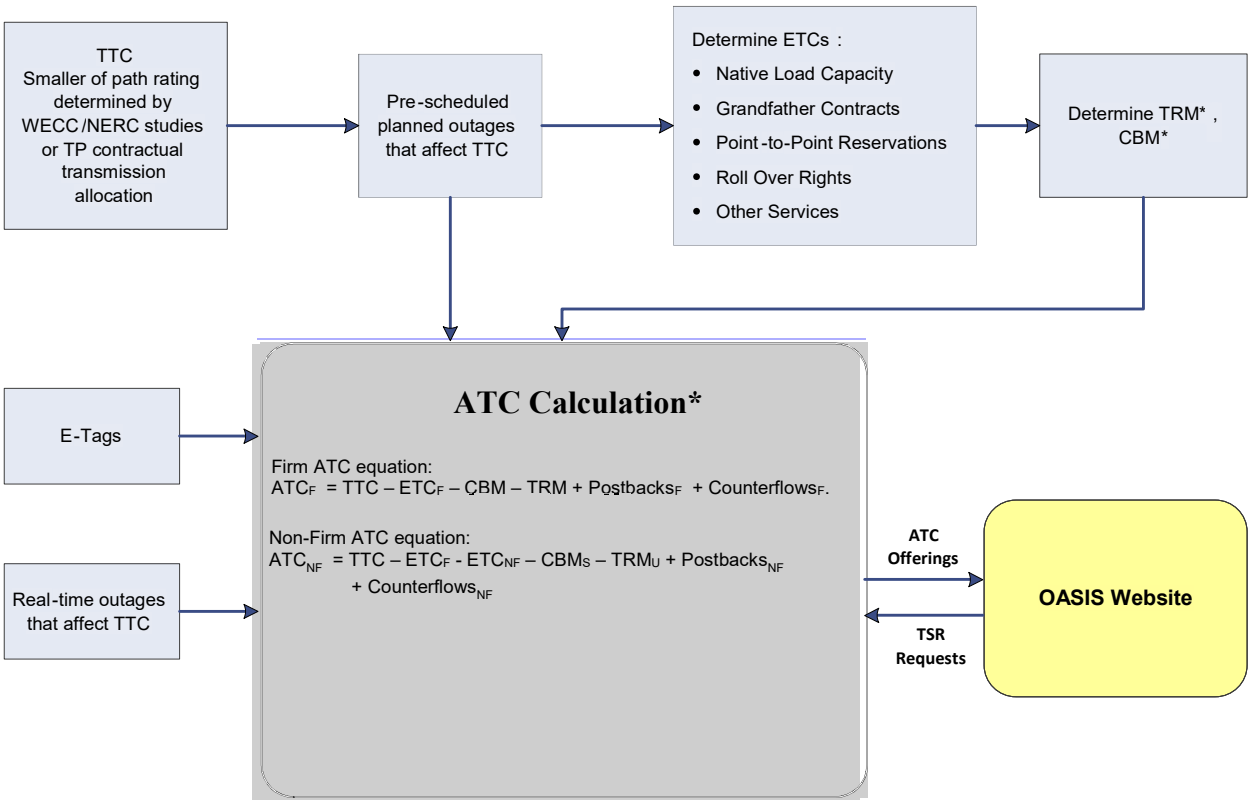
d. OASIS

The Transmission Provider's OASIS is provided by Open Access Technology International, Inc. (OATI) and is located at

https://www.oasis.oati.com/ldwp/

3. Process Flow Diagram

The process Transmission Provider uses to calculate ATC is illustrated as follows:



* Transmission Provider does not use TRM or CBM but may use them in the future.

4. Determination of TTC

a. Calculation Methodology

The currently effective version of NERC Reliability Standard MOD-029 ("Rated System Path Methodology") is used to calculate TTCs for ATC Paths.

The TTC posted is the LADWP ownership or contractual share of the line capacity.

Transmission Provider models its system in segments. A segment or a path can be one or more lines in parallel. A posted path usually consists of one or more segments in series. For a posted path with multiple segments, the segment with the most limiting capacity will determine the TTC for the posted path.

TTC for Transmission Provider's internal paths are mostly flow-limited, so the TTC is determined by thermal rating.

b. **Databases used in TTC Assessments**

Transmission Provider uses the applicable WECC developed system seasonal power operating flow base cases.

c. Assumptions Used in TTC Assessments

The assumptions that LADWP uses in its TTC assessments, including load levels, generation dispatch, and modeling of planned and contingency outages, are set out in Requirement R2 of the currently effective version of NERC Reliability Standard MOD-029 ("Rated System Path Methodology"). The load and generation in the applicable WECC seasonal operating base case are adjusted to maximize transfers for the path under study.

5. Determination of ETC

a. **Calculation Methodology**

Transmission Provider uses the following algorithms for Scheduling Horizon, Operating Horizon and Planning Horizon to calculate Firm and Non-Firm Existing Transmission Commitments, as provided in R5 and R6 of MOD-029-1a, respectively.

The equation to calculate firm ETC is:

$$\mathbf{ETC_F = NL_F + NITS_F + GF_F + PTP_F + ROR_F + OS_F}$$

Where:

$\mathbf{NL_F}$ is the firm capacity set aside to serve peak Native Load forecast commitments for the time period being calculated, to include losses, and Native Load growth, not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

$\mathbf{NITS_F}$ is the firm capacity reserved for Network Integration Transmission Service serving load, to include losses, and load growth, not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

$\mathbf{GF_F}$ is the firm capacity set aside for grandfathered Transmission Service and contracts for energy and/or Transmission Service, where executed prior to the effective date of Transmission Provider's Open Access Transmission Tariff or "safe harbor tariff."

$\mathbf{PTP_F}$ is the firm capacity reserved for confirmed Point-to-Point Transmission Service.

ROR_F is the firm capacity reserved for Roll-over rights for contracts granting Transmission Customers the right of first refusal to take or continue to take Transmission Service when the Transmission Customer's Transmission Service contract expires or is eligible for renewal.

OS_F is the firm capacity reserved for any other service(s), contract(s), or agreement(s) not specified above using Firm Transmission Service as specified in the ATCID.

The equation to calculate non-firm ETC is:

$$\mathbf{ETC_{NF} = NL_{NF} + NITS_{NF} + GF_{NF} + PTP_{NF} + ROR_{NF} + OS_{NF}}$$

Where:

NL_{NF} is the non-firm capacity set aside to serve peak Native Load forecast commitments for the time period being calculated, to include losses, and Native Load growth, not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

$NITS_{NF}$ is the non-firm capacity set aside for Network Integration Transmission Service serving load (i.e., secondary network service), to include losses, and load growth not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

GF_{NF} is the non-firm capacity set aside for grandfathered Transmission Service and contracts for energy and/or Transmission Service, where executed prior to the effective date of Transmission Provider's Open Access Transmission Tariff or "safe harbor tariff."

ROR_{NF} is the non-firm capacity reserved for Roll-over rights for contracts granting Transmission Customers the right of first refusal to take or continue to take Transmission Service when the Transmission Customer's Transmission Service contract expires or is eligible for renewal.

PTP_{NF} is non-firm capacity reserved for confirmed Point-to-Point Transmission Service.

OS_{NF} is the non-firm capacity reserved for any other service(s), contract(s), or agreement(s) not specified above using non-firm transmission service as specified in the ATCID.

b. Transmission Capacity Set Aside for Native Load Customers and Network Load

Capacity is necessary to meet the forecast load of Native Load Customers and Network Load (including transmission capacity for designated resources or new resources that are needed for load growth or to replace existing resources). As required by the OATT, Transmission Provider on behalf of its Native Load Customers and each Network Customer on behalf of its Network Load submit to the Transmission Provider updates to the capacity needed for load and resources, annually and in the event of a material change. Additional periodic update of load and resources within the year may be required as described in the transmission provider's business practices.

c. Incorporation of Point-to-Point Transmission Service Requests

Existing, confirmed requests for Point-to-Point Transmission Service are modeled using the specified megawatt quantity, Point(s) of Receipt, and Point(s) of Delivery.

d. **Accounting for Rollover Rights**

Transmission Provider, in the absence a Transmission Customer providing notice to terminate rights, assumes that a Transmission Customer will exercise rollover for existing long-term Transmission rights. To account for this assumption, transmission in the amount of the confirmed transmission service request is set aside. If a Transmission Customer does not exercise its rollover right, that amount may be removed from ETC.

e. Process for Ensure that Non-Firm Capacity is Released Properly

In the scheduling horizon, reserved capacity that is not scheduled will be posted back as non-firm ATC. This Postback occurs automatically based on the tags or schedules submitted which are compared against transmission reservations and existing commitments.

6. AFC Methodology

Transmission Provider does not currently use a flowgate methodology to calculate ATC.

7. **Determination of TRM**

Transmission Provider does not use TRM but may use TRM in the future.

8. Determination of CBM

Transmission Provider does not use CBM but may CBM in the future.

ATTACHMENT D

Methodology for Completing a System Impact Study and Form Agreement

1. Methodology

The Transmission Provider will perform studies, when necessary, that assess whether sufficient transfer capacity is available to provide a requested Transmission Service. Transmission Provider will exercise the same due diligence in performing a System Impact Study for a Transmission Customer as it would for its own use of the system. Transmission Provider will follow Attachment C to this Tariff, reliability principles, standards, and procedures of Western Electricity Coordinating Council (WECC) and the North American Electric Reliability Corporation (NERC) or their successors, in addition to Transmission Provider planning criteria.

In determining the level of capacity available for new Transmission Service requests, the Transmission Provider may exclude from capacity to be made available for new Transmission Service requests, that capacity needed to meet current and reasonably forecasted demand of Native Load Customers, customers with existing firm contracts and potential customers having pending valid requests for firm transmission under this Tariff.

Factors to be considered in determining the capacity availability on the transmission system will include but not be limited to:

(1) Steady state power flow study results;
(2) Stability study results;
(3) WECC, NERC, and LADWP's system design criteria;
(4) Transmission capacity of the existing system;
(5) Transmission capacity of the system after the request is added;
(6) Reliability requirements of LADWP and applicant;
(7) Type and terms of the service requested;
(8) Capacity needed to meet current and 10-year forecasted load of Native Load Customers and Network Customers' loads; and
(9) Capacity needed to meet contractual obligations that are expected before the requested Transmission Service begins.

2. Form of System Impact Study Agreement

Transmission Provider shall utilize the form of System Impact Study Agreement set forthbelow:

SYSTEM IMPACT STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of_____, 20__ by and between **[insert Transmission Customer]**, existing under the laws of _____, sometimes hereinafter referred to as ("Eligible Customer") 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 ("Transmission Provider "). Eligible Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Eligible Customer has submitted a Completed Application (the "Application") for Firm Point-To-Point Transmission Service pursuant to Section 17.2 of the Open Access Transmission Tariff ("Tariff") for the Transmission Provider (as may be supplemented, modified, or replaced);

WHEREAS, Eligible Customer has requested **[insert]** MW of Firm Point-To- Point Transmission Service from **[insert]**, under Request No. **[insert]**, to commence on **[insert]** and end on **[insert]**.

WHEREAS, Eligible Customer has received notice from the Transmission Provider that a System Impact Study is necessary to accommodate the service requested in the Application; and

WHEREAS, the Transmission Provider must cause the preparation of a System Impact Study to assess the adequacy of the Transmission System and any other affected systems to accommodate the Application.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

ARTICLE 1. DEFINITIONS

1. The terms used in this Agreement with initial capitalization shall have the meanings specified in the Tariff.

ARTICLE 2. TERMINATION

2.1 Effective Date. This Agreement shall become effective on the date on which this Agreement is made and fully executed by the Parties ("Effective Date").

2.2 Term. This Agreement shall become effective as provided in Section 2.1 of this Agreement and shall continue in full force and effect until the earlier of (i) the Parties agree to mutually terminate this Agreement, (ii) One year after the Effective Date; or (iii) earlier termination as provided for under this Agreement.

2.3 Termination for Breach. A Party may terminate this Agreement upon thirty (30) days advance notice to the other Parties of a breach by a Party to this Agreement; provided that, the terminating Party notified the breaching Party in writing of the alleged breach and the breaching Party failed to cure such breach within fifteen (15) businessdays after the date of said notice and further provided that such terminating Party complies with any and all applicable laws, rules and regulations relating to such termination.

2.4 Termination or Withdrawal. Any request to terminate or withdraw from a study shall be deemed as a withdrawal of the Application in accordance with Section 19 of the Tariff.

2.5 Liability on Termination. Eligible Customer shall remain liable to the Transmission Provider for costs of the System Impact Study already incurred, costs of the System Impact Study that cannot be reasonably avoided and any costs associated with terminating the System Impact Study.

ARTICLE 3. STUDY

3.1 Study. The Transmission Provider shall cause a System Impact Study to be performed in accordance with the applicable provisions of the Tariff. The Transmission Provider shall rely on existing transmission planning studies as provided in the Tariff. Allterms and conditions of the Tariff are incorporated herein by reference.

3.2 Scope. The scope of the System Impact Study shall be as set forth in the Tariff and shall be subject to the data and other information provided in the Application and any additional information, assumptions or methodology set forth in Attachment D of the Tariff. Eligible Customer shall review the data and information that it has provided to the Transmission Provider and provide updated data and information as necessary. The Transmission Provider will advise Eligible Customer of additional information as may be

reasonably deemed necessary by the Transmission Provider to complete the System Impact Study and Eligible Customer shall promptly submit the additional information. Such additional information shall be obtained only if required by Good Utility Practice and shall be subject to the consent of Eligible Customer, not to be unreasonably withheld, conditional or delayed.

3.3 Report. The final report of the System Impact Study shall identify the following information:

3.3.1 Any system constraints due to thermal overload, voltage limit violations, or instability or inadequately damped response to system disturbances resulting from the service requested by the Application.

3.3.2 A preliminary estimate of the scope of any Direct Assignment Facilities or Network Upgrades required to accommodate the Application.

3.3.3 Together with a copy of the final report, the related work papers shall be made available to the Eligible Customer.

3.4 Coordination. The Transmission Provider will coordinate the System Impact Study with any affected Transmission Provider, and with any Regional Transmission Organizations ("RTO") or Independent System Organization ("ISO"). If the required study coordination effort increases the expected study scope, study costs or delays the expected completion date, the Transmission Provider will inform the Eligible Customer. Eligible Customer acknowledges and agrees that Transmission Provider will provide all Confidential Information and/or study data that is reasonably needed by any Transmission Provider, RTO or ISO participating in the System Impact Study and toother parties as may be required by the Tariff or applicable federal, state or local law, ruleor regulation.

3.5 Estimated Time. The estimated time for completion of the System Impact Study is sixty (60) days. The Transmission Provider shall use due diligence to complete the System Impact Study within the estimated time. If Transmission Provider is unable to complete the System Impact Study within the time period, it shall notify the Transmission Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.

3.6 Representative. Eligible Customer shall appoint and make available to the Transmission Provider a designated and authorized representative through which the

Transmission Provider can coordinate work pertaining to the System Impact Study.

ARTICLE 4. COSTS AND PAYMENT

4.1 Estimated Cost. The estimated cost for performance of the System Impact Study is **[[insert dollar amount]]**. The estimated cost is the Transmission Provider's good faith estimate of the costs to perform the System Impact Study. The estimated cost does not include any costs incurred by other Transmission Providers, RTOs or ISOs.

4.2 Reimbursement. Eligible Customer shall reimburse the Transmission Provider in full for performing the System Impact Study. Eligible Customer shall also reimburse any Transmission Provider, RTO or ISO in full for performing any work related to the System Impact Study, either directly or through payment to the Transmission Provider. These reimbursements shall include payment for all actual costs of the System Impact Study. As provided in the Tariff, Eligible Customer shall not be charged for existing transmission planning studies, but will be responsible for charges associated with modifications to the existing transmission planning studies that are reasonable necessary to evaluate the impact of the Application.

4.3 Deposit and Payment. The Eligible Customer shall submit with this System Impact Study Agreement a deposit in the amount of $50,000.00 (the "Deposit"). The Deposit will be applied toward the costs of the System Impact Study to be reimbursed by the Eligible Customer pursuant to Paragraph 4.2 of this Agreement. Eligible Customer shall prepay the costs of any study, analysis and review work performed by or on behalf of the Transmission Provider or, as applicable, any affected Transmission Provider, RTO or ISO, to the extent such costs exceed the Deposit. The Transmission Provider shall refund to the Eligible Customer any portion of the Deposit that exceeds the amount of the coststo be reimbursed pursuant to Paragraph 4.2. The Transmission Provider shall invoice the Eligible Customer, from time to time, for the amount(s) by which costs to be reimbursed pursuant to Paragraph 4.2 exceed the amount of the Deposit and any prepayments. The Eligible Customer shall pay any such invoice within thirty (30) days of receipt.

ARTICLE 5. MISCELLANEOUS PROVISIONS

5.1 Indemnification. The Eligible Customer shall at all times indemnify, defend, and hold harmless the Transmission Provider, its officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and

costs of experts and consultants), or losses of any kind or nature whatsoever including, without limitation, business interruption, death, bodily injury or personal injury to any person, damage or destruction or loss of use to or of any property (financial, physical, or intellectual) by or to third parties (collectively "Losses") arising by reason of or incident to or directly or indirectly related to Transmission Provider performing or causing to be performed the System Impact Study in whole or in part under this Agreement on behalf of the Eligible Customer, except in cases of gross negligence or intentional wrongdoing by the Transmission Provider.

5.2 Accuracy of Information. The Eligible Customer represents and warrants that, to the best of its knowledge and in accordance with Good Utility Practice, the information that it provides to the Transmission Provider in connection with this System Impact Study Agreement and the System Impact Study is accurate and complete. The Eligible Customer acknowledges and accepts that it has a continuing obligation under this System Impact Study Agreement to promptly provide the Transmission Provider with any additional information required to update the information previously provided within no less than forty-eight (48) hours.

5.3 Disclaimer of Warranty; Limitation of Liability and Release. In performing or causing the System Impact Study to be performed, the Transmission Provider may rely on the information provided by the Eligible Customer and third parties, which Transmission Provider may not have any control over the veracity or accuracy of such information. For data, information and other studies submitted by the Eligible Customer or obtained from third parties or industry sources,

TRANSMISSION PROVIDER HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE ELECTRIC INDUSTRY, OR OTHERWISE, INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. FURTHERMORE, TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO ELIGIBLE CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHERSUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO ELIGIBLE CUSTOMER.

ELIGIBLE CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIACIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THIS RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLYAFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, ELIGIBLE CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

Upon execution of this System Impact Study Agreement, the Eligible Customer acknowledges and accepts that it has not relied on any representations or warranties not specifically set forth herein.

5.4 Representations and Warranties. The Eligible Customer represents and warrants that it is free to enter into this Agreement and to perform each of the terms and covenants of it. The Eligible Customer represents and warrants that it has undertaken or will cooperate with Transmission Provider in undertaking any environmental review required for its proposed project, including but not limited to the California Environmental QualityAct (CEQA) as amended and stated within Cal. Pub. Res. Code §§ 21000-21178 or any successor statute; provided however, Transmission Provider's undertaking and completion of the System Impact Study, or issuance of a system impact study report,shall neither be construed as a guarantee of an agreement nor an approval of theproposed project. The Eligible Customer further represents and warrants it is not restricted or prohibited contractually or otherwise, from entering into and performing this agreement, and that the execution and performance of this Agreement by Eligible Customer will not constitute a violation or breach of any other agreement between it and any other person or entity.

5.5 Force Majeure. If a Force Majeure Event prevents the Transmission Provider from fulfilling any obligations under this System Impact Study Agreement, Transmission Provider shall promptly notify the Eligible Customer in writing, and shall suspend or

modify its performance under said agreement until the Force Majeure Event, to the extent that the effect of the Force Majeure Event cannot be mitigated by use of Good Utility Practice or commercially reasonable efforts. For purposes of this System Impact Study Agreement, a "Force Majeure Event" means any event or circumstance caused by reason of Force Majeure that prevents or delays Transmission Provider's performance under this Agreement which (a) is beyond the reasonable control of the Transmission Provider and (b) was unable to be prevented or provided against by exercising Good Utility Practice or commercially reasonable efforts. In the event that the Transmission Provider suspended its performance, it shall resume its obligations under this System Impact Study Agreement as soon as reasonably possible upon resolution of the Force Majeure Event.In the event that the Parties mutually agree to modify Transmission Provider's performance as a result of the Force Majeure Event, this System Impact Study Agreement shall be modified in accordance with Section 5.12 herein.

5.6 Assignment. This System Impact Study Agreement shall not be assigned, conveyed or transferred to any third party without the written consent of both Parties.

5.7 Governing Law. This Agreement was made and entered into in the City of Los Angeles and 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.

5.8 Venue. All litigation arising out of, or relating to this System Impact Study Agreement, shall be brought in a court of competent jurisdiction located in Los Angeles County, 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.*

5.9 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this System Impact Study Agreement, orwith respect to any other matter arising in connection with said agreement, shall not be deemed a waiver with respect to any subsequent default or other mater arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

5.10 Binding Effect. This System Impact Study Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors or assigns, subject to Sections 4.3 of the LGIP.

5.11 Attorney Fees and Costs. Both Parties agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorney fees and costs.

5.12 Entire Agreement. This System Impact Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This Agreement may be amended only by a written document signed by 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.

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

By: _____

Title: _____

Date: _____

[INSERT TRANSMISSION CUSTOMER]

By: _____

Title: _____

Date: _____

ATTACHMENT E

Index of Point-To-Point Transmission Service Customers

A list of LADWP Point-To-Point Transmission Service Customers can be found when you log on to the OATI OASIS WestTrans website located at:

https://www.oasis.oati.com.

ATTACHMENT F

Form of Service Agreement for
Network Integration Transmission Service

Service Agreement For
Network Integration Transmission Service

1. This Service Agreement, dated as of _____, is entered into by and between the City of Los Angeles Department of Water and Power ("LADWP" or "Transmission Provider"), and_____("Transmission Customer"), and shall become effective on the date of its execution.

2. Transmission Customer has been determined by Transmission Provider to have a Completed Application for Network Integration Transmission Service under Part III of this Tariff and has provided the Transmission Provider an Application Deposit in the amount of $_____ in accordance with Section 29.2 of the Tariff.

3. Transmission Customer shall execute a Network Operating Agreement with LADWP in accordance with Section 35.2 of the Tariff prior to commencement of transmission service hereunder.

4. In accordance with Section 2 of the Tariff, the maximum term for Network Integration Transmission Service, including all renewals granted, shall be limited to three years, unless:

4.1 In the exclusive determination of Transmission Provider, the Eligible Customer has satisfied the requirements of the Governmental Person Use Certification and the requirements of Section 5.2 of the Tariff, in which case the maximum term shall be specified in the Service Agreement for Network Integration Transmission Service; or

4.2 The Transmission Provider and a firm Network Integration Transmission Service customer with a contract term of two (2) years or more have mutually agreed to add the automatic renewal option set forth in Section 2.2.2 of the Tariff to the initial Service Agreement for Network Integration Transmission Service.

5. Service under this Service Agreement shall commence on (A) the later of (1) _____ or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as mutually agreed upon, and (B) the date that Network Customer and the Transmission Provider have completed all necessary technical arrangements in accordance with the provisions of Sections 29.3 and 29.4 of the Tarff. Service under this Service Agreement shall terminate on _____.

6. If at any time during the term of this Service Agreement the Transmission Provider finds that the Transmission Customer fails to meet the credit requirements of Section 11 and Attachment L to the Tariff as they may be amended, the Transmission Customer shall provide any additional forms of security as required by Attachment L.

7. Transmission Provider shall provide and Transmission Customer shall take and pay for Network Integration Transmission Service in accordance with the provisions of Part III of the Tariff, this Service Agreement, and the Network Operating Agreement, as they may be amended from time to time. Exhibit 1 to this Service Agreement lists initial Network Resources, Network Loads, points of interconnection between Transmission Customer's facilities and Transmission Provider's Transmission System, and Transmission Customer's initial Load Ratio Share.

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

Transmission Provider:

_____

_____

_____

Network Customer:

_____

_____

_____

9. The Tariff specifications for Network Integration Transmission Service, and the Network Operating Agreement are incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective officials.

City of Los Angeles Department of Water and Power:

By: _____

Title: _____

Date:

Network Customer:

By: _____

Title: _____

Date:

ATTACHMENT F, EXHIBIT 1

SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE

1.0 This Service Agreement, dated as of _____, is entered into, by and between LADWP ("Transmission Provider"), and _____ ("Network Customer").

2.0 Term of Network Integration Transmission Service:

Start Date:_____
Termination Date:_____

3.0 Description of capacity and/or energy to be transmitted by Transmission Provider across the Transmission Provider's Transmission System (including electric control area in which the transaction originates). MWs of the eligible retail customer or authorized agency's requirements may originate from firm resources located outside of the Transmission Provider's Transmission System and will be transmitted across the Transmission Provider's Transmission System subject to point-to-point transmission service from the Point(s) of Receipt listed below. The remaining MWs of the eligible customer or authorized agency requirements (Network Load plus Losses) will originate from inside the Transmission Provider's Transmission System as designated below. Non-firm energy will be transmitted on an as available basis when requested by the eligible customer or authorized agency:

_____
_____
_____

4.0 Network Resources:

4.1 Transmission Customer Generation Owned:

Resource	Directly interconnected with Transmission System? Y/N	Total Capacity	Capacity Designated as Network Resource

4.2 Transmission Customer Generation Purchased:

Source	Total Capacity

4.3 Total Network Resources: (1) + (2) = _____

5.0 Transmission Load

Eligible customer's Network Load: Eligible Customer's Network Load measured at the Point(s) of Delivery listed below is its full load requirement as it changes from time to time, including load growth. Eligible Customer's most recent coincident peak load measured at Point(s) of Delivery and adjusted for distribution and transmission losses as appropriate is ___ MW.

5.1 Network Customer's Network Load:

Network Load	Points of Delivery	Delivery Transmission Voltage Level	MW or % of Load

5.2 Total Network Load =

6.0 Designation of party(ies) subject to reciprocal service obligation:

_____

7.0 Name of any intervening systems providing transmission service:

_____

_____

_____

8.0 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.)

8.1 Load Ratio Share of Annual Transmission Revenue Requirement.

8.1.1 For the first twelve months of service under this Service Agreement commencing on the Start Date set forth in Section 1 of the Specifications, Transmission Customer's Load Ratio Share will be determined based on Transmission Customer's average Load Ratio Share in the months in which Transmission Customer has taken service. After the first twelve months of service, Load Ratio Share will be calculated on a rolling twelve-month average basis.

8.2 System Impact and/or Facilities Study Charge(s): _____

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services:

8.4.1 Scheduling System, Control and Dispatch Service: _____

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

8.4.3 Regulation and Frequency Response Service: _____

8.4.4 Energy Imbalance Service: _____

8.4.5 Operating Reserve - Spinning Reserve Service:_____

8.4.6 Operating Reserve - Supplemental Reserve Service: _____

8.5 Redispatch Charges: _____
8.6 Power Factor Requirements:_____

Transmission Provider:

By: _____ _____
Name, Title, Date

Network Customer:

By:_____ _____
Name, Title, Date

ATTACHMENT G

Form of Operating Agreement for Network Integration Transmission Service

Network Operating Agreement

1. Parties

This Network Operating Agreement ("Agreement" or "Operating Agreement") is entered into by and between the City of Los Angeles on behalf of its Department of Water and Power ("LADWP" or "Transmission Provider"), and _____ ("Network Customer"), which hereinafter may be referred to collectively as "Parties" and individually as "Party."

2. Recitals

2.1 The Network Customer has executed a Service Agreement for Network Integration Transmission Service ("Service Agreement") with LADWP; and

2.2 LADWP and the Network Customer desire to enter into this Operating Agreement to specify (i) the terms and conditions under which the Network Customer will operate its facilities that interconnect with LADWP's Transmission Facilities and (ii) the technical and operational matters associated with implementation of Network Integration Transmission Service in accordance with the Tariff.

NOW, THEREFORE, in consideration of the promises, covenants, and conditions contained in this Agreement, the Parties agree as follows:

3. Effective Date and Term of Service

3.1 This Operating Agreement shall become effective upon execution by both Parties and shall terminate upon the termination of the Service Agreement between LADWP and the Network Customer.

3.2 This Agreement is entered into in implementation of Network Integration Transmission Service in accordance with the Tariff and the Service Agreement. This Agreement shall neither amend nor supersede the Tariff or Service Agreement. All terms and conditions of the Tariff and the Service Agreement related to Network Integration Transmission Service are incorporated herein by this reference. In the event of any conflict between the terms of the Tariff and the terms of this Agreement, the terms of the Tariff shall govern.

4. Definitions

Terms used herein with initial capitalization, whether in the singular or the plural, shall have the meanings specified in the Tariff and are hereby incorporated into this Operating Agreement. Terms used herein, whether in the singular or the plural, which are not defined in the Tariff shall have the following meanings:

4.1 **Transmission Reduction Plan**: A plan provided by the Network Customer to the Transmission Provider which directs the systematic adjustment of the network transmission capacity for the Network Customer or the Eligible Customer, to match the Network Customer's available Network Resources in order to maintain system reliability.

4.2 When the terms **Load Responsibility**, **Regulating Margin**, **Most Severe Single Contingency** (MSSC), **Non-Spinning Reserves**, **Operating Reserves**, and **Spinning Reserves** are used herein, the WECC definitions of those terms apply.

5. Metering and Communication Equipment

5.1 The Transmission Provider shall install, own, and maintain revenue quality meters at each point of interconnection between the Transmission Provider's Transmission System and the Network Customer's Network Load and Network Resources. If feasible, such meters shall be installed at the high voltage bus at each point of interconnection of the Transmission Provider's Transmission System with the Network Customer's Network Load and with any Network Resources directly connected to the Transmission Provider's Transmission System. The meters shall measure and record both real power (watts) and reactive power (vars) flow, if applicable, in both directions. Meters not installed at the high voltage bus or at the point of interconnection shall be compensated for line losses and transformation losses to the point of interconnection, if applicable.

5.1.1 The Transmission Provider shall read or retrieve meter data at midnight (Pacific Time) on the last day of each calendar month or such other time as may be required to carry out the provisions of the Tariff. The Transmission Provider shall use the meter data for determining energy imbalances, accounting, and billing.

5.1.2 The revenue meters shall be tested by the Transmission Provider at least once a year and within ten (10) Working Days after a request by the

Network Customer. The Network Customer shall pay for the cost of the requested test if the meter has been tested within the previous twelve months. The Network Customer will be afforded the opportunity to be present during any meter test. The Transmission Provider shall promptly repair, adjust, or replace any meter or associated equipment found to be defective or inaccurate.

5.1.3 The Transmission Provider shall adjust the recorded data to compensate for the effect of an inaccurate meter. Such adjustment shall be made for a maximum period of thirty days prior to the date of the test or for the period during which such inaccuracy may be determined to have existed, whichever period is shorter. No adjustment prior to the beginning of the next preceding month shall be made except by agreement of the Parties. Should any meter fail to register, the Transmission Provider shall estimate, from the best information available, the demand created, energy flow, and var flows during the period of the failure. The Transmission Provider shall, as soon as possible, correct the Network Customer's bills affected by the inaccurate meter. That correction, when made, shall constitute full adjustment of any claim arising out of the inaccurate meter for the period of the correction.

5.2 The Network Customer and the Transmission Provider shall install communications facilities, equipment, and software to schedule and monitor Network Load and any directly connected Network Resources, to exchange data, and for any other purpose as reasonably required to implement this Agreement, the Service Agreement, and the Tariff in accordance with Good Utility Practice. Such installation shall be at the Network Customer's expense.

5.3 All metering, communications, and data exchanges required to implement this Agreement, the Service Agreement, and the Tariff shall be automated to the greatest extent practical. The Network Operating Committee shall coordinate standards and specifications for metering and communications equipment as well as any related hardware and software required to implement this Agreement, the Service Agreement, and the Tariff, provided such metering and communications equipment and any related hardware and software shall, if possible, be compatible with the Transmission Provider's existing or planned facilities or software, meet all applicable WECC and NERC standards and regional criteria , and be consistent with Good Utility Practice.

5.4 The Network Customer shall procure, install and maintain, at its sole expense, all metering for its Network Resources directly connected to its system, and any communications equipment, and any related hardware and software required to be installed on its system or on the system of the Eligible Customer it serves, in accordance with this Section 5. The Network Customer shall reimburse the Transmission Provider for all expenses incurred by the Transmission Provider for any metering and communications equipment, and related hardware and software, including any modifications to existing facilities or software required for the Transmission Provider to provide Network Integration Transmission Service in accordance with this Agreement, the Service Agreement, and the Tariff.

6. Qualifications For Network Resources

All designated Network Resources directly interconnected to the Transmission Provider's Transmission System shall be capable of performing in accordance with applicable NERC and WECC standards and regional criteria and Good Utility Practice. If the Network Customer elects to provide any Ancillary Services using its Network Resources, the Parties shall agree upon any communications, control, protection or other equipment required in accordance with applicable NERC and WECC criteria and Good Utility Practice to be installed on the system of the Network Customer or the Eligible Customer receiving service, as applicable, or the Transmission Provider's system in order for the Network Customer to provide such Ancillary Services. Any equipment or facilities required for the Network Customer to provide such Ancillary Services shall be procured, installed, and maintained at the Network Customer's sole expense

7. Interconnection of Network Resources or Transmission Facilities

7.1 The Network Customer shall interconnect its Network Resources, if applicable, and its own transmission facilities with the Transmission Provider's Transmission System in accordance with all applicable WECC and NERC standards and regional criteria and Good Utility Practice. The facilities and procedures required for such interconnection(s) shall be consistent with applicable NERC and WECC standards and regional criteria, this Agreement, the Tariff, and Good Utility Practice.

7.2 The Network Customer, at its sole expense, shall procure, install, and maintain all equipment and facilities on its side of the interconnection as applicable. The Transmission Provider shall own, install, and maintain all facilities necessary to interconnect such Network Resource or transmission facility to the

Transmission System on the Transmission Provider's side of the interconnection at the Network Customer's sole expense. Such interconnection facilities shall include any equipment necessary to protect the Transmission Provider's system, including, but not limited to, short circuit protection, breaker closing/reclosing control, loss of synchronism, overcurrent/undercurrent devices such as relays, remote terminal units, circuit breakers, and meters. Such facilities shall meet the Transmission Provider's specifications and shall be subject to inspection and testing by the Transmission Provider.

7.3 The Network Customer shall operate its directly interconnected Network Resources, as applicable, and directly interconnected transmission facilities in accordance with any applicable NERC or WECC standards and regional criteria and Good Utility Practice. Such operation includes, but is not limited to, following voltage schedules, free governor response, meeting power factor requirements at the point of interconnection with the Transmission Provider's system, equipment maintenance coordination, and communication of necessary data, information, or reports. The Network Customer shall pay the cost of any needed modification of the Transmission Provider's computer hardware and software to accommodate the Network Customer's Regulating Margin and Operating Reserve requirements. Any resources used by the Network Customer to meet its Regulating Margin and Operating Reserve requirements, whether the Network Customer's applicable Network Resources or a third party's generating resources, shall meet the same requirements as the Transmission Provider's generating resources used to meet the Regulating Margin and Operating Reserve requirements, including but not limited to, automatic generation control capability, ramp rate, and governor response, and are subjected to random testing, and if applicable, a monthly start-up test.

8 Interconnection of Customer Load

8.1 Facilities for the interconnection of the Network Customer's Network Load to the Transmission Provider's Transmission System shall be installed, operated and maintained in accordance with Good Utility Practice.

8.2 The Network Customer desires to receive service as described in the Service Agreement. Any applicable service criteria of the Network Customer, including, but not limited to, any redundancy desired in transmission elements available to serve Network Load from the Transmission Provider's Transmission System shall be specified by the Network Customer. If technically feasible, the Transmission Provider shall provide service as requested in the Service Agreement

and in accordance with such criteria, conditioned on the Transmission Provider obtaining any necessary regulatory permits and complying with any other state or local requirements for the construction of any required facilities.

8.3 The Network Customer shall keep the Transmission Provider informed on a timely basis of any changes in its Network Load and its designated Network Resources as required under the Tariff. The Network Customer shall cooperate in the planning of any addition to or upgrade of interconnection facilities to accommodate Network Load growth or a Network Resource addition.

8.4 The Transmission Provider shall own, operate, and maintain all interconnection facilities on the Transmission Provider's side of the interconnection with the Network Customer's Network Load. The Network Customer shall pay all costs and expenses for such interconnection facilities that are used exclusively to provide Network Integration Transmission Service to the Network Customer including, but not limited to, the costs of permitting, planning, procuring, constructing, owning, maintaining, and operating any such facilities.

8.5 The Network Customer shall provide and maintain, at its sole expense, facilities on its side of the interconnection in accordance with Good Utility Practice. The Network Customer shall install protective equipment on its system and take any other reasonable measures to protect the safe and reliable operation of the Transmission Provider's system from disturbances on the Network Customer's system in accordance with Good Utility Practice.

8.6 The Network Customer shall provide or facilitate the Transmission Provider's access to the interconnection facilities of the Network Customer to the extent necessary for the Transmission Provider to construct, operate, or maintain interconnection facilities. The Parties shall cooperate with one another in scheduling maintenance to any interconnection facility or in taking any interconnection facility out of service, provided that in an emergency the Transmission Provider may take facilities out of service if necessary to protect the Transmission Provider's system.

8.7 Unless otherwise mutually agreed, each Party shall provide the reactive power requirement of its own electric system or, if the Network Customer is serving an Eligible Customer, the electric system of the Eligible Customer receiving service, and each Party shall cooperate to control the flow of such reactive power to prevent the introduction of objectionable operating conditions on

the other Party's system or on that of the Eligible Customer receiving service.

9.0 Control Area Requirements and Ancillary Services

9.1 A Network Customer shall ensure that, to the extent it has its own Control Area that is directly interconnected to the Transmission Provider's Control Area, that interconnected Control Area satisfies its own balancing requirements, including all necessary Ancillary Services, by: (i) operating as a Control Area under applicable guidelines of NERC and WECC; or (ii) contracting with the Transmission Provider to provide Control Area services; or (iii) providing such services itself or contracting with a third party in a manner that is consistent with Good Utility Practice and which satisfies applicable NERC and WECC requirements.

9.2 The Network Customer shall provide to the Transmission Provider a Transmission Reduction Plan on behalf of itself or the Eligible Customer it is serving, as applicable, to facilitate the matching of transmission capacity with the resources available to serve load. The Transmission Reduction Plan shall be provided before service commences and thereafter updated at least annually or whenever the Network Customer revises its designated loads and/or resources.

9.3 A Network Customer that arranges to have a third party meet its Operating Reserve requirements shall also meet the requirements of Section 9.3 above. The Operating Reserve requirement for the Network Customer is as specified by the WECC and as implemented by the Transmission Provider. Inasmuch as the Transmission Provider is obligated to meet the WECC's requirements, as they may be modified from time to time, the Network Customer recognizes and agrees that its Operating Reserve requirement may change to reflect WECC modifications.

9.4 In order to facilitate the use of Operating Reserves from outside the Control Area, the Network Customer shall have available unloaded reserved firm transmission capacity at least equal to that Operating Reserve amount. Such transmission may be loaded with interruptible energy so that, upon interruption of the energy, transmission service is available to replace such energy from the Operating Reserves.

9.5 The Network Customer shall restore Operating Reserves to the required level within sixty (60) minutes of the event necessitating the loading of the

reserve.

9.6 If in real time, the Network Customer has not scheduled sufficient resources to match its actual load and the Network Customer is notified by the Control Area operator that its resource shortage is impacting system reliability, the Network Customer shall supplement and/or adjust its scheduled Network Resources within fifteen (15) minutes of such notification by the Control Area operator.

9.7 In the event that the Network Customer does not balance its loads and resources as required in Sections 9.4 or 9.5, above, the Control Area operator will initiate the Network Customer's Transmission Reduction Plan as provided pursuant to Section 9.2.

10. Network Planning

10.1 By February 1 of each year or such other time as the Network Operating Committee may agree, the Network Customer shall provide to the Transmission Provider its load and resource plans applicable to the Service Agreement(s) for itself or for the Eligible Customer to which it is providing service, as applicable, pursuant to Sections 29.2 and 35.2 of the Tariff. Such resource plans shall list the Network Customer's existing and planned generating resources that will serve as Network Resources for the Service Agreement(s). In the event the Service Agreement(s) load(s) will be satisfied by resources interconnected to a system outside of the Transmission Provider's Transmission System, the Network Customer may provide a resource plan that demonstrates and confirms the firm supply of generation designated for the Service Agreement(s) that meets the definition of "Network Resource" in the Tariff. In addition, in the event the Service Agreement(s) load(s) will be satisfied by resources interconnected to a system outside of the Transmission Provider's Transmission System, the Network Customer shall demonstrate that it has arranged point-to-point transmission service. In addition, the Network Customer must provide any planned transmission facility additions or upgrades and expected loads, that may affect the service to be provided under the Service Agreement(s) for each of the next ten (10) years or such other period(s) as may be agreed by the Network Operating Committee. The Network Customer shall provide information regarding any planned Network Resource to be interconnected to the Transmission Provider's Transmission System, as required by the Tariff, or by the Network Operating Committee, or by the Transmission Provider as reasonably necessary for efficient Transmission

System planning.

10.2 The Network Operating Committee shall coordinate the maintenance schedules of any of any Network Customer's or its Eligible Customer's generating resources and transmission and substation facilities directly interconnected to the Transmission Provider's Transmission System, to the greatest extent practical, to ensure sufficient transmission resources are available to maintain system reliability and reliability of service. By February 1 of each year, the Network Customer shall provide to the Transmission Provider the maintenance schedules and planned outages of each of its designated network generating resources directly interconnected to the Transmission Provider's Transmission System for the next year, and the Network Customer shall update the information at least thirty days in advance of the date specified for the forecasted maintenance outage. Such information shall include, but not be limited to, the expected time the unit will be separated from the system and the time at which the unit is available for (i) parallel operation, (ii) loading, and (iii) if applicable, to be put on automatic generation control.

10.3 The Network Customer shall obtain (i) concurrence from the Transmission Provider at least 72 hours before beginning any scheduled maintenance of its own and/or its Eligible Customer's, as applicable, directly interconnected facilities and (ii) clearance from the Transmission Provider when the Network Customer is ready to begin maintenance on a designated generating resource located within the Transmission Provider's Control Area, or a transmission line or substation interconnected to the Transmission Provider's Transmission System. The Network Customer shall immediately notify the Transmission Provider at the time when any unscheduled or forced outages occur and again when such unscheduled or forced outages end. The Network Customer shall notify and coordinate with the Transmission Provider prior to re-paralleling the generating resource, transmission line, or substation.

11. Scheduling of Network Resources

11.1 The Network Customer shall provide the Transmission Provider with such reports and information concerning its network operation as are reasonably necessary to enable the Transmission Provider to operate the Transmission System efficiently.

11.2 All schedules from either inside or outside of the Transmission Provider's

Control Area shall be in whole megawatts. Forecasts of generation and load from within the Transmission Provider's Control Area shall also be in whole megawatts.

11.3 The Network Customer shall notify the Transmission Provider of forecasted Network Load and intended hourly schedules of Network Resources, any economy energy purchases for the next day(s) of operation, and relevant interchange schedules consistent with the timing and obligations set forth in the Transmission Provider's OATT. The Network Customer shall transmit all the preschedules and forecasts to the Transmission Provider in a format compatible with the Transmission Provider's energy management system or similar equipment. Such preschedules and forecasts shall include, as applicable:

(a) each import into or export out of the Transmission Provider's Transmission System portion of the Transmission Provider's Control Area from Network Resources and economy energy purchases;

(b) each power purchase and sale from within the Control Area;

(c) losses;

(d) generation from each generating resource;

(e) Network Load at each point designated in the Service Agreement;

(f) regulating margin;

(g) spinning and non-spinning reserve from each Network Resource;

(h) spinning and non-spinning reserve purchased from the Transmission Provider or from each third party;

(i) available capacity from each Network Resource and the Network Customer's MSSC;

(j) transmission service associated with each preschedule and forecast;

(k) incremental cost data for each Network Resource; and

(l) any other information as required by the Transmission Provider to schedule the Network Customer's Network Resources in accordance with the Tariff.

11.4 On or before seven (7) days in advance of each operating day, the Network Customer shall provide the Transmission Provider with a preliminary forecast for each operating day specifying, as relevant and applicable to the service to be provided under the Service Agreement(s), forecasted generation, interchange, and load. On or before five (5) days before the beginning of each month, the Network Customer shall submit a forecast of total monthly energy and operating reserves to be purchased from the Transmission Provider, and/or a third party, and/or to be supplied by the Network Customer.

11.5 The Network Customer shall provide to the Transmission Provider information including, but not limited to, watts, vars, generator status, generator breaker status, generator terminal voltage and high side transfer voltage for any Network Resources directly interconnected to the Transmission Provider's Transmission System, unless otherwise agreed.

11.6 The Network Customer shall provide generating resource characteristics for any Network Resources directly interconnected to the Transmission Provider's Transmission System to the Transmission Provider as necessary to implement redispatch and to facilitate constraint and reserve management.

12. System Security

12.1 If the Transmission Provider determines that redispatching Network Resources (including reductions in off-system purchases) to relieve an existing or potential Transmission System constraint is the most effective way to ensure the reliable operation of the Transmission System, the Transmission Provider shall redispatch its resources and the Network Customer's Network Resources on a least-cost basis without regard to the ownership of such resources. The Transmission Provider shall inform the Network Customer of its redispatch practices and procedures, as they may be modified from time to time.

12.1.1 Incremental cost data submitted in accordance with Section 11.3 of this Operating Agreement shall be used, along with similar data for the Transmission Provider's resources, as the basis for least-cost redispatch for the next day(s) of operation. The Transmission Provider will implement

least-cost redispatch consistent with its existing contractual obligations and its current practices and procedures for its own resources. The Network Customer shall respond immediately to requests for redispatch from the Transmission Provider

12.1.2 If the Network Customer experiences any changes to its incremental costs, the Network Customer must submit those changes to the Transmission Provider. Any redispatch in accordance with this Agreement shall be based on the last incremental cost data received from the Network Customer prior to redispatch and any redispatch cost shall be based on such incremental cost data.

12.1.3 The Network Customer may audit particular redispatch events, at its own expense, during normal business hours following reasonable notice to the Transmission Provider. Either the Network Customer or the Transmission Provider may request an audit of the other Party's incremental cost data by an independent agent at the requester's cost, provided that such independent agent shall not be a buyer, seller, or broker of wholesale energy or an affiliate of such an entity and that such independent agent shall agree to keep such cost data confidential and to use such data solely for the purpose of the audit.

12.1.4 Once redispatch has been implemented, the Transmission Provider shall track the costs incurred by both the Transmission Provider and the Network Customer based on the submitted incremental costs. The Transmission Provider and the Network Customer will each bear a proportional share of the total redispatch costs based on their then-current Load Ratio Shares. The Transmission Provider will debit or credit the Network Customer's monthly bill as appropriate.

12.2 If a system security issue cannot be resolved by redispatch in accordance with Section 12.1 of this Operating Agreement, the Network Customer shall curtail its schedules as requested by the Transmission Provider. The Transmission Provider shall curtail, on a nondiscriminatory basis, the transaction(s) that effectively relieve the constraint. To the extent practical and consistent with Good Utility Practice, any Curtailment shall be shared by the Transmission Provider and the Network Customer in proportion to their respective Load Ratio Shares.

12.3 The Parties shall implement load shedding programs to maintain the

reliability and integrity of the Transmission Provider's Control Area, as provided in Section 33.6 of the Tariff.

12.3.1 Load shedding shall include any combination of the following: (i) automatic load shedding; (ii) manual load shedding; and (iii) rotating interruption of customer load. The Transmission Provider will order load shedding to maintain the relative sizes of load served within the area requiring load shedding, unless otherwise required by circumstances beyond the control of the Transmission Provider or the Network Customer.

12.3.2 Automatic load shedding devices will operate without notice. When manual load shedding or rotating interruptions are necessary, the Transmission Provider shall notify the Network Customer's dispatchers or schedulers of the required action and the Network Customer shall comply as directed by the Transmission Provider.

12.3.3 The Transmission Provider shall, at its own expense, provide, operate, and maintain in service high-speed, digital under-frequency load shedding equipment on its own Transmission System. To the extent the Network Customer or Eligible Customer receiving service under the Service Agreement(s) has high-speed, digital under-frequency load shedding equipment on its system that is directly interconnected to the Transmission Provider's Transmission System, the Network Customer shall ensure that it and/or the Eligible Customer, as applicable, shall at its own expense provide, operate, and maintain that equipment. The Network Customer's and Eligible Customer's equipment shall be (i) compatible and coordinated with the Transmission Provider's load shedding equipment and (ii) set for the amount of load to be shed with frequency trips and tripping time as determined by the Transmission Provider. In the event the Transmission Provider modifies the load shedding system, the Network Customer shall, at its own expense, make changes to its equipment and setting of such equipment, as required. The Network Customer shall test and inspect the load shedding equipment within ninety days of taking Network Integration Transmission Service under the Tariff and at least once every two years thereafter and promptly provide a written report to the Transmission Provider of the results of such test. The Transmission Provider may request a test of the load shedding equipment with reasonable notice.

12.4 If the Network Customer fails to redispatch or curtail its Network Resources, or the Network Customer or Eligible Customer receiving service under the Service Agreement(s) fails to shed load in accordance with this Section 12, the Network Customer shall pay the Transmission Provider for each kilowatt-hour of generation or load it failed to redispatch, curtail or shed in accordance with Schedule 4 of the Tariff, Energy Imbalance.

13. Network Operating Committee

13.1 If constituted, the Network Operating Committee shall consist of one representative and one alternate from the Network Customer and one representative and one alternate from the Transmission Provider.

13.2 The Network Operating Committee shall coordinate operating criteria for the Parties' respective responsibilities under this Agreement.

13.3 Once constituted, the Network Operating Committee shall meet at least once a year, or at such other time as the Network Operating Committee may agree, to review the Parties' resource plans, to discuss the availability of transmission service for planned Network Resources designated under the Service Agreement(s), and to discuss the need for any additions to or upgrades of interconnection facilities in accordance with Section 8 of this Operating Agreement, as well as any other matters relating to the provision of Network Integration Transmission Service.

13.4 The Network Operating Committee shall not have any authority to (i) modify, amend, terminate, or supersede any provision of this Agreement, the Service Agreement, or the Tariff or (ii) to require any expansion of or addition to the Transmission Provider's Transmission System. The Transmission Provider shall have the authority to adopt rules or procedures for the implementation of this Agreement, the Service Agreement, and the Tariff that are consistent with such agreements, the Tariff, and Transmission Provider's local requirements and business practices.

14. Assignment

This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns, but shall not be assigned by either Party, except to successors to all or substantially all of the electric properties and assets of such Party,

without the written consent of the other.

15. **Dispute Resolution**

Disputes under this Agreement shall be subject to the dispute resolution procedures of Section 12 of the Tariff.

16. **Non-Dedication of Facilities**

An undertaking by either Party to the other Party under this Agreement shall not constitute the dedication of the system, or any portion thereof, of that Party to the public or to the other Party, or affect the status of that Party as an independent system. Any such undertaking shall cease upon the termination of this Agreement.

17. **Municipal Tax Exempt Bonds**.

Notwithstanding any other provision of this Agreement, Transmission Provider shall not be required to provide any service under this Agreement if in Transmission Provider's sole discretion the provision of such service would result in "private business use" as defined in Section 141(b)(6) of the Internal Revenue Code and the Treasury Regulations promulgated thereunder, as such laws and regulations may be amended, updated, modified or replaced.

18. **Waivers**

Any waiver by either Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. No waiver of any provision of this Agreement by Transmission Provider shall be effective unless such waiver is in writing and signed by an authorized representative of the Transmission Provider. Any delay, short of the statutory period of limitation in assessing or enforcing any right, shall not be deemed a waiver of such right.

19. **Relationship of Parties**

The obligations and liabilities of the Parties are several and not joint or collective, and nothing herein contained shall be construed as an association, joint venture, trust, or partnership, or to impose a trust or partnership covenant, obligation, or liability on or with regard to either Party. Each Party shall be individually liable and responsible for its

own covenants, obligations, and liabilities as herein provided. Neither Party shall be under the control of or shall be deemed to control the other Party. Neither Party shall be the agent of or have a right or power to bind the other Party without such other Party's express written consent.

20. Governing Law and Costs

This Operating Agreement was made and entered into pursuant to the laws of the State of California and the City of Los Angeles. This Operating Agreement shall be governed by, interpreted and enforced in accordance with the laws of the State of California without regard to conflict of law principles. Both Parties hereto agree that in any action to enforce the terms of this Operating Agreement, each Party shall be responsible for its own attorneys' fees and costs.

21. Captions and Headings

All captions and headings appearing in this Operating Agreement are inserted to facilitate reference and shall not govern, except where logically necessary, the interpretations of the provisions hereof.

22. Notices

Any notice or request made to or by either Party regarding this Operating Agreement shall be made to the representative of the other Party as indicated in the Service Agreement for Network Integration Transmission Service.

23. Signature Clause

The signatories hereto represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for which they sign.

IN WITNESS WHEREOF, the Parties have caused this Operating Agreement to be executed as of the_____ day of _____, _____.

For LADWP	**For [Network Customer]**
DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES BY BOARD OF WATER AND POWER COMMISSIONERS OF THE CITY OF LOS ANGELES	
By:	**By:**
Date:	**Date:**
And:	**And:**

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 $346,224,908.

2. The amount in (1) shall be effective until amended by the Transmission Provider.

ATTACHMENT I

Index Of Network Integration Transmission Service Customers

None

ATTACHMENT J

Procedures for Addressing Parallel Flows

In a June 17, 2009 filing, the North American Electric Reliability Corporation's ("NERC"), consistent with Section 215 of the Federal Power Act and as directed by the Commission, requested Commission approval of revision to the Qualified Transfer Path Unscheduled Flow (USF) Relief for the Western Electricity Coordinating Council ("WECC"), Reliability Standard IRO-006-WECC-1 on March 26, 2007, and approved by the Commission on June 8, 2007. The revised Reliability Standard approved by the Commission on March 17, 2011 is intended to mitigate transmission overloads due to unscheduled flow on a transfer path designated by WECC as being qualified for unscheduled flow mitigation, and any subsequent revisions thereto, are hereby incorporated and made part of this Tariff. The current WECC Unscheduled Flow Reduction Procedure can be accessed via the NERC website at:

http://www.nerc.com/files/IRO-006-WECC-1.pdf

|ATTACHMENT K

Transmission Planning Process

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

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Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

I. Overview of the LADWP Transmission Planning Process

The City of Los Angeles (City) is a municipal corporation and charter city organized under the provisions of the California Constitution. The Department of Water and Power (LADWP) is a proprietary department of the City of Los Angeles, pursuant to the Los Angeles City Charter, and a "non-public utility" under Section 201(f) of the Federal Power Act.

LADWP is a vertically integrated utility, owning and operating the majority of its generation, transmission and distribution systems. The LADWP service area encompasses approximately 473 square miles and is populated by approximately 4.0 million residents of the City and Owens Valley, and LADWP serves approximately 1.4 million power customers in the City and 5,000 in the Owens Valley, making LADWP the nation's largest municipal electric utility.

As a non-public utility transmission provider, LADWP voluntarily maintains an Open Access Transmission Tariff (OATT) and Open Access Same-time Information System (OASIS). Pursuant to its membership in WestConnect,[1] LADWP undertakes an annual local transmission planning process and also coordinates its transmission planning process with other transmission providers and stakeholders in the Western Interconnection through subregional, regional and inter-regional processes. LADWP is also a member of the Western Electricity Coordinating Council (WECC) and participates in the WECC transmission planning studies.

This Attachment K describes the local, regional, and interregional transmission planning and cost allocation processes used by LADWP, which are consistent with FERC's standards for reciprocity and comparability expressed by the Federal Energy Regulatory Commission (FERC) in Order Nos. 888, 890, and 1000.

[1] WestConnect was formed under a memorandum of understanding (MOU) voluntarily entered into by transmission providing electric utilities in the Western Interconnection. The purposes of WestConnect are to investigate the feasibility of wholesale market enhancements, work cooperatively with other Western Interconnection organizations and market shareholders and address seams issues in the appropriate forums. WestConnect has initiated an effort to facilitate and coordinate regional transmission planning across the WestConnect footprint as an Order No. 1000 transmission planning region, and to participate in inter-regional transmission planning processes in the Western Interconnection.

II. LADWP Local Transmission Planning

A. Local Planning Process

1. Open Participation

Participation in LADWP's local planning process is open to all interested parties, including but not limited to, all transmission service customers, balancing authority area services customers, interconnecting neighboring transmission providers, state agencies, regulatory agencies, and other stakeholders.

2. Purpose of Planning Studies

LADWP's local transmission planning process is designed to meet the following needs:

a. Provide adequate transmission for resources in order to reliably and economically serve Network Customers' and Native Load Customers' requirements for planned loads and resources, including demand response resources, and transmission service to third parties from its available transfer capability.

b. Support LADWP's transmission and distribution systems.

c. Coordinate new interconnections with other transmission systems.

d. Accommodate requests for long-term transmission access.

3. Types of Local Planning Studies

a. Local Reliability Studies. LADWP will conduct reliability studies to ensure that all NERC, WECC, and local reliability standards are met for each year of the ten-year planning horizon. These reliability studies will be coordinated with the other regional transmission planning organizations through the Southwest Area Transmission (SWAT) group and WECC study efforts.

b. Local Economic Studies. Economic planning studies are performed to identify significant and recurring congestion on the transmission system and/or address the integration of new resources and loads. Such studies may analyze any, or all, of the following: (i) the location and magnitude of the congestion, (ii) possible remedies for the elimination of the congestion, in whole or in part, including transmission solutions, generation solutions and solutions utilizing demand response resources, (iii) the associated costs of congestion, and (iv) the costs associated with relieving congestion through system enhancements (or other means), and, as appropriate, (v) the economic impacts of integrating new resources and loads. As described below in Section 9, LADWP may perform, or cause to be performed, economic planning studies at the request of any transmission customer or

stakeholder, and may utilize the WECC public data bases. Local economic planning studies performed by LADWP or its contractors that are initiated by a stakeholder request will be borne by the requester. The customer shall pay the full estimated cost prior to LADWP beginning the study, and LADWP shall either refund any over-collection or bill any under-collection after completion of the study.

c. Consideration of Public Policy Requirements. For purposes of this Attachment K, "Public Policy Requirements" means those requirements enacted by state or federal laws or regulations, including those enacted by local governmental entities, such as a the LADWP Board of Water and Power Commissioners and/or the City Council. Public Policy Requirements, as applicable, are incorporated into the load forecasts and/or are modeled in the local planning studies. Proposed public policies (*i.e.*, a public policy proposed before a governmental authority but not yet enacted) may be studied if time and resources permit.

4. Local Transmission Planning Cycle

LADWP conducts its local transmission planning on a calendar year cycle for a ten-year planning horizon. LADWP updates its ten-year plan annually. To the extent possible, LADWP coordinates the timing of its local planning study cycle with the WestConnect and WECC study processes.

Stakeholders may participate in identifying local transmission needs by contacting LADWP' Point of Contact described in Section II.A.7.a below. Stakeholders also have the opportunity to offer input or make proposals at LADWP's Q2 Meeting and Q4 Meeting, which are open public planning meetings held pursuant to Section II.B of this Attachment K. Through these two avenues for communication – *i.e.*, email communications with the LADWP Point of Contact and/or participation at the open public planning meeting(s) – stakeholders may participate in the evaluation of solutions to identified local transmission needs that may be selected by LADWP for further evaluation. Stakeholders may provide comments on proposed solutions or may submit other proposed solutions to local transmission needs.

5. Exchange of Data, Confidential Information, and Use of Customer Data

a. LADWP exchanges information on transmission plans and related data on a regular basis in accordance with the schedule for data submittal established by WECC, WestConnect and other transmission planning groups. LADWP obtains data used for its local transmission planning studies from the WECC data bases for reliability studies. Economic studies performed by LADWP for local transmission projects will rely on LADWP studies using security-constrained production cost analysis software (*e.g.*, PROMOD, GridView, Plexos, or equivalent).

b. Confidential, or Proprietary and Critical Energy Infrastructure Information (CEII). LADWP's transmission planning studies include base case data that contain WECC proprietary data, and/or confidential information and/or critical energy infrastructure information (CEII). A stakeholder must hold membership in, or execute a non-disclosure agreement with WECC in order to obtain a base case from WECC. Requests for detailed base case data must be submitted to WECC in accordance with the WECC procedures. Additionally, LADWP makes refinements to the WECC base case that may be LADWP proprietary data, confidential information and/or CEII. For stakeholders that execute the appropriate non-disclosure agreements and clearances consistent with the WECC procedures, LADWP will provide stakeholders the criteria, and assumptions and refinements LADWP makes to the WECC base case, including the models used in its local transmission plan, once the stakeholder executes the appropriate non-disclosure agreements and clearances consistent with the WECC procedures and executes a non-disclosure agreement with LADWP.

c. Restrictions on Access to Information for Competitive Duty Personnel. People involved in marketing functions or other wholesale power sales and marketing activities may be restricted from access to certain local transmission planning data, and/or may be required to execute additional non-disclosure agreements.

d. As a public entity, LADWP is subject to the California Public Records Act, California Government Code §§6250 *through* 6276.4, and the Ralph M. Brown Act, California Government Code 54950 *et sec*.

6. Customer's Responsibility to Provide Data

a Deadline for Submission of Data by Customers. To maximize the effectiveness of the LADWP planning process, each Transmission Customer shall provide LADWP with its ten-year of the data specified in sub-section (b) below along with supporting documentation. This information, including the data set forth in Section 6.b below, must be submitted by February 1 of each year in order to be included in the planning process for the annual local transmission plan.

b. Data to be Submitted. To the maximum extent practical and consistent with protection of proprietary information, data submitted by customers shall include the following information for the ten-year planning horizon:

- Generators – planned additions or upgrades (including status and expected in-service dates), planned retirements and any environmental restrictions.

- Demand response resources – existing and planned demand response resources and their impacts on demand and peak demand.

- Point-to-Point transmission customers – projections of need for service, including transmission capacity, duration of service and points of receipt and delivery.

- Non-Transmission Alternatives (NTAs) - including, but not limited to, technologies that defer or possibly eliminate the need for new and/or upgraded transmission lines. Such alternatives include, but are not limited to: Distributed Generation resources and Demand Side Management (load management), such as Energy Efficiency and Demand Response (*e.g.*, interruptible load) programs, energy storage facilities, and smart grid equipment that can help eliminate (or mitigate) a grid reliability problem, reduce uneconomic grid congestion, and/or help to meet grid needs driven by Public Policy Requirements.

- Balancing Authority Area Services customers - Customers taking service from LADWP under a Balancing Authority Area Services Agreement (BAASA) shall provide information as required by the BAASA.

- Network Customers and Native Load Customers – Each Network Customer and Transmission Provider on behalf of Native Load Customers shall provide an updated ten-year forecast of projected Network Load and Network Resources (including demand response resources) to LADWP on an annual basis. The update shall include the information identified in Section 29.2(ix) of the Tariff.

c. Notification of Material Changes to Customer Data. Each customer is responsible for submitting timely written notice to LADWP of material changes in any of the information previously provided related to the customer's load, resources (including NTAs), or other aspects of its facilities or operations which may, directly or indirectly, affect LADWP's ability to provide service, within 10 business days of such event.

7. Procedures for Requesting a Local Transmission Planning Study.

Any LADWP transmission customer or other interested stakeholder, including those seeking transmission solutions, generation solutions and solutions utilizing NTAs may submit a study request to LADWP, and economic planning study requests shall also be submitted directly to LADWP.

a. LADWP Point of Contact. LADWP shall identify a Point of Contact and email address on its website and/or OASIS to respond to customer/stakeholder questions regarding modeling, criteria, assumptions and data underlying system plans. All requests submitted to LADWP should be electronically forwarded to LADWP by email to the Point of Contact.

b. Deadline for Local Study Requests. To be considered for inclusion in the LADWP local transmission plan, the local study request must be submitted no later than February 1 of the calendar year.

c. Internet Posting of Local Study Requests. Subject to confidentiality requirements, requests for LADWP local planning studies and responses to such requests shall be posted on the LADWP website and/or OASIS.

d. Consideration of Requests. LADWP will review timely submitted local study requests with input from stakeholders in a public transmission meeting. Based in part on the number and type of requests received, LADWP will consider:

i. Whether the study is a local priority request and determine if the study should be performed by LADWP or referred to a more appropriate transmission provider, or

ii. Whether the study request encompasses a region, in which case LADWP will transfer the request to WestConnect for consideration as a regional priority request at WestConnect's stakeholder meeting; or

iii. Whether the study request encompasses the Western Interconnection, in which case LADWP will transfer the request to WECC for consideration in the WECC transmission planning process.

e. Timeline for Performing Local Studies Requested by Stakeholders. After review of requested local studies with stakeholders, LADWP will establish a study plan with timelines for local studies that are performed by LADWP on a case-by-case basis. The study plan for each local study performed by LADWP will be based on LADWP's evaluation of the nature of the study and its complexity. The timelines for completion of such studies may extend beyond the annual study planning cycle.

8. LADWP Process for Evaluating Local Study Requests.

a. LADWP Local Study Criteria and Guidelines. LADWP plans its transmission system in accordance with the NERC and WECC Planning Reliability Standards, along with LADWP's own design, planning and operating criteria which it utilizes for all customers on a comparable and

non-discriminatory basis. The engineering criteria utilized by LADWP are based on the WECC standards; the economic criteria are decided upon for each study by individual participants when determining the value of a suggested project.

b. Basis for Evaluation of LADWP and Stakeholder Alternative Solutions. LADWP's planning process is an objective process that evaluates use of the transmission system on a comparable basis for all customers. All solution alternatives that have been presented on a timely basis, including transmission solutions, generation solutions and solutions utilizing demand response resources, whether presented by LADWP or another Stakeholder, will be evaluated on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of Stakeholder. Alternative solutions will be evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions:

   i. Ability to practically fulfill the identified need;

   ii. Ability to meet applicable reliability criteria or NERC Planning Standards issues;

   iii. Technical, operational and financial feasibility;

   iv. Operational benefits/constraints or issues;

   v. Cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); and

   vi. Where applicable, consistency with state or local integrated resource planning requirements, or regulatory requirements, including cost recovery through rates.

c. After seeking the input of stakeholders, LADWP shall determine in accordance with this Section II of Attachment K whether to select a particular local solution in its local transmission plan. LADWP will post its local transmission plan, which will include any such solutions selected.

d. LADWP is not required to identify any particular set of local transmission needs, but if LADWP chooses not to identify any stakeholder-suggested local transmission need as a transmission need for which solutions will be evaluated in the local transmission planning process, LADWP will post on its website and/or OASIS an explanation of why the suggested transmission need will not be evaluated. Such postings will include both

an explanation of those local transmission needs that have been identified for evaluation for potential solutions in the local transmission planning process, and an explanation why other stakeholder-suggested transmission needs were not identified for further evaluation. After considering the input of stakeholders, LADWP shall determine whether to move forward with the identification of a local solution to a particular local need.

e. Local Transmission Planning Study Request Determined to be a Local Priority Request. If LADWP determines, using input from stakeholders obtained through the LADWP open public transmission meeting, that the local planning study request is a local priority study – *e.g.* the study request does not affect interconnected transmission systems and the remedies are confined to and may be resolved within the local LADWP Balancing Authority Area – then LADWP may conduct the study internally and coordinate assumptions and results with its customers, stakeholders and interconnected neighbors. Criteria used to determine whether a local planning study request is a priority request include the following:

i. What portion of the LADWP transmission system will be under consideration in the study?

ii. Does the request raise fundamental design issues of interest to multiple parties?

iii. Does the request raise public policy issues of national, regional or state interest, *e.g.,* with respect to renewable power, and location of both conventional and renewable resources?

iv. Can the objectives of the study be met by other studies?

v. Will the study provide information of broad value to customers, regulators, transmission providers and other interested stakeholders?

vi. Can similar requests for studies or scenarios be represented generically if the projects are generally electrically equivalent?

vii. Can requests be aggregated into energy or load aggregation zones with generic transmission expansion between?

viii. Does the study request require the use of production cost simulation or can it be better addressed through technical studies, *i.e.*, power flow and stability analysis?

f. Lower Priority Local Study Requests. If LADWP determines, after reviewing through an open stakeholder process, that the request for a local planning study is a lower priority, the requester may request that LADWP assist the requester in having a third party perform the local planning analysis at the requester's expense.

g. Clustering Local Priority Studies. LADWP may determine that any number of requesters' local planning study requests should be studied together or a requester may request that LADWP study its request together with other requests. LADWP will combine such studies as it deems appropriate. If local study requests are combined, the study costs will be shared among the requesters. LADWP will consider the following criteria to determine whether to cluster requested priority local studies, both on its own volition and in response to a Requester's request:

i. LADWP-Proposed Clusters: In the event that LADWP proposes to cluster certain priority local planning studies on any reasonable grounds, including, without limitation, upon its determination that the proposed cluster studies are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied as a group, it shall provide notices to each requester that it proposes to include in the study. Each requester shall be provided the opportunity to opt out of the cluster within ten (10) days of notice from LADWP.

ii. Requester-Proposed Clusters: If a requester wishes to propose a cluster study, prior to submitting a local planning study cluster request to LADWP, the requester must contact all of the other Requesters whose requests it proposes to cluster and obtain their written consent that they are willing to have their request clustered with other identified requests. LADWP will reasonably determine whether the local planning study requests that the requester proposes to cluster and for which the other affected requesters have provided consent, are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied together. LADWP reserves the right to reject a requester-proposed cluster on any reasonable grounds, including, without limitation, upon its determination that the proposed cluster cannot be feasibly studied as a group or that the proposed clustering impairs administration or timely processing of the economic study process. LADWP will make the determination whether to reject a proposed cluster, and provide notice of any decision to reject, within twenty (20) days of receipt of all of the written consents of the requesters that propose to be clustered.

h. Posting of Local Transmission Needs. LADWP will maintain on its website and/or OASIS (i) a list of all local transmission needs identified that are included in the studies for the current local planning cycle; and (ii) an explanation of why other suggested transmission needs will not be evaluated.

i. Communication of LADWP Transmission Study Plans and Local Planning Results. LADWP transmission study plans and planning results will be communicated through presentations at the Q2 Meeting and Q4 Meeting described in Section II.B below and made available upon request.

9. Local Economic Planning Studies.

a. Deadline for Local Economic Planning Study Requests. To be considered for inclusion in the LADWP local transmission plan, the local economic planning study request must be submitted no later than February 1 of the calendar year.

b. For timely submitted economic planning study requests, submitted no later than February 1 and in accordance with this Attachment K, LADWP will review the request with input from stakeholders at the Q2 Meeting, the local public planning meeting described in Section II.B.

c. Based in part on the number and type of requests received, LADWP will consider whether the study is a local priority request and determine if the study should be performed by LADWP or referred to a more appropriate transmission provider, or whether the study request encompasses a sub-region or region, in which case LADWP will transfer the request to WECC.

d The procedures for evaluating local economic planning studies are the same as those procedures used to evaluate any other project proposed in the local planning process, as described in Section 8 above.

e. For lower priority local economic planning studies, LADWP may at its discretion perform the economic planning studies itself, or utilize a third-party to perform the local economic planning study with a security-constrained production cost analysis case (*e.g.*, PROMOD, GridView, Plexos, or equivalent) provided by LADWP. Access to data used in security-constrained production cost analysis may require execution of appropriate non-disclosure agreements (NDA).

10. Local Public Policy Study Requests.

The procedures for evaluating potential solutions to the identified local transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the local planning process, as described in Section 8 above.

a. If a stakeholder identifies a local transmission need driven by a Public Policy Requirement, LADWP will review the identified local transmission need with input from stakeholders in a public transmission meeting. Based in part on the number and type of requests received, LADWP will consider whether:

(i) The suggested transmission need is local and determine if the study should be performed by LADWP, or

(ii) Whether the facilities associated with the identified transmission need are regional, in which case LADWP will transfer the request to WestConnect for consideration at WestConnect's stakeholder meeting or

(iii) Whether the facilities associated with the identified transmission need are West-wide, in which case LADWP will transfer the request to WECC for consideration at WECC stakeholder meeting.

b. No single factor shall necessarily be determinative in selecting among the potential transmission needs driven by Public Policy Requirements. In selecting those local transmission needs driven by Public Policy Requirements that will be evaluated for solutions in the current planning cycle, LADWP will consider, on a non-discriminatory basis, factors, including but not limited to, the following:

(i) Whether the Public Policy Requirement is driving a local transmission need that can be reasonably identified in the current planning cycle;

(ii) The feasibility of addressing the local transmission need driven by the Public Policy Requirement in the current planning cycle;

(iii) The factual basis supporting the local transmission need driven by the Public Policy Requirement; and

(iv) Whether a Public Policy Requirement has been identified for which a local transmission need has not yet materialized, or for which there may exist a local transmission need but the development of a solution to that need is premature.

[*One example is a renewables portfolio increase that is enacted for implementation in a future year, and for which the process by which the renewable resource is to be identified, selected, and sited under the governing state- regulated resource adequacy process*

has not yet begun (making it premature to identify the location and scope of the local transmission need and/or the appropriate solution for the need).]

11. Cost Responsibility for Local Transmission Planning Studies Performed by LADWP

a. Local transmission planning studies performed by LADWP or its contractors that are initiated by LADWP as part of its annual ten-year local transmission study process will be borne by LADWP and recovered in rates.

b. Local transmission planning studies performed by LADWP or its contractors that are initiated by a stakeholder request will be borne by the requester. The customer shall pay the full estimated cost prior to LADWP beginning the study, and LADWP shall either refund any over-collection or bill any under-collection after completion of the study.

B. Annual Local Transmission Planning Open Public Meetings

1. Purpose

Each year LADWP will conduct two local transmission planning open public meetings that will allow stakeholders to participate in LADWP's local transmission planning process. The meetings will be open to all stakeholders and will provide two open, transparent forums that will serve to:

a. Promote discussion of all aspects of the LADWP transmission planning activities, including, but not limited to, methodology, study inputs, study results, and alternative solutions.

b. Provide a forum for LADWP to better understand the specific electric transmission interests of all stakeholders.

c. Provide a meaningful opportunity for stakeholders to engage in planning along with LADWP by creating opportunities for stakeholders to review and comment on the criteria, assumptions, and models used by LADWP in the local transmission planning activities prior to finalization of the LADWP local transmission plan.

2. Public Meeting Process

a. **Q2 Meeting**: In the second calendar quarter of the year, LADWP will host a local transmission planning open public meeting (Q2 Meeting), at which LADWP shall explain and discuss:

- The status of any unresolved issues from the prior local transmission planning process cycle;
- the base cases it intends to use for its local transmission planning study;

- the assumptions it plans to use for the local transmission planning study;
- the study plan (i.e., method for analysis) to guide the local transmission planning study;
- the local needs identified on the system to be considered in the study;
- the alternatives under consideration to be evaluated in the study; and
- the local transmission planning studies that were timely requested by stakeholders in accordance with Section 7.

b. **Q4 Meeting**: In the fourth calendar quarter of the year, LADWP will host a local transmission planning open public meeting (Q4 Meeting), at which LADWP shall:

- provide an overview of the draft local transmission planning study;
- review the assumptions it used for the local transmission planning study;
- review of the study plan (i.e., method for analysis) to guide the local transmission planning study;
- review of local needs identified on the system that were considered in the study;
- review the alternatives considered in the study;
- review of the local transmission planning studies requested by stakeholders; and
- provide updates on its planned local transmission projects and non-transmission alternatives; and
- explain and discuss the preliminary draft local transmission planning study results, including results of studies requested by stakeholders that were performed by LADWP.

3. Stakeholder Comments

Stakeholders can comment and provide input to LADWP during the local transmission planning process.

4. Meeting Notices and Communication

a. Meeting notices, including date, time, place and meeting agenda, will be posted on the LADWP website and/or OASIS. LADWP will establish and post its public planning meetings schedule at least once annually, and at least two weeks prior to meetings.

b. The agenda for each LADWP's public local transmission planning meeting will be sufficiently detailed, posted on the LADWP website and/or OASIS and be circulated to an email distribution list in advance of the meetings in order to allow advance notice to customers and stakeholders.

c. All existing LADWP transmission and other wholesale customers will be included on LADWP's distribution list and actively notified via email of local transmission planning open public meeting(s). Any other stakeholder wanting to be included on LADWP's email distribution list should submit its information to the LADWP Point of Contact identified on the LADWP website and/or OASIS.

d. LADWP will post all meeting-related notes, documents and drafts or final reports on its website and/or OASIS.

e. In order to permit all stakeholders access to the information posted on the website or OASIS listed in Section II, B.3.d, only public information will be shared, and in accordance with state and local laws, only public business shall be conducted in public local transmission planning meeting(s).

5. Unresolved Issues

The status of any stakeholder issues that were not resolved during the local transmission planning process will be addressed by LADWP in the following local transmission planning process cycle (Q2 Meeting).

III. Regional Transmission Planning

This Section of Attachment K to the LADWP OATT implements the requirements for regional planning set forth in Federal Energy Regulatory Commission Order Nos. 890 and 1000. LADWP engages in regional planning and coordination within the WestConnect regional process (Regional Planning Process), which also includes LADWP's participation in interregional planning in the United States portion of the Western Interconnection through its participation in WestConnect.

The purpose of the Regional Planning Process is to produce a regional transmission plan (the Regional Plan) and provide a process for evaluating projects submitted for cost allocation in accordance with the provisions of this Attachment K and those business practices adopted by WestConnect in the WestConnect Regional Planning Process Business Practice Manual, as may be amended from time to time, available on the WestConnect website (Business Practice Manual).

A. Overview

The WestConnect Planning Region is defined by the transmission owner and transmission provider members (referred to generally as Transmission Owners) participating in the Regional Planning Process and for which WestConnect is conducting regional planning. The service areas of the Transmission Owners consist of all or portions of nine states: Arizona, California, Colorado, Nebraska, New Mexico, Nevada, South Dakota, Texas and Wyoming. Non-public utilities such as LADWP are invited to participate in the Regional Planning Process.

Following the effective date of the enrolled Transmission Owners, September 20, 2013 Order No. 1000 compliance filings with the Federal Energy Regulatory Commission ("Effective Date"), the WestConnect Order No. 1000 regional transmission planning management committee (the Planning Management Committee or PMC) is responsible for administering the Regional Planning Process. In order to align its regional process with the western interregional coordination process, WestConnect began its biennial process in 2016. WestConnect conducted an abbreviated planning process in 2015.

In conjunction with creating the new PMC, the WestConnect members, in consultation with interested stakeholders, have established a separate project agreement (the Planning Participation Agreement) to permit interested stakeholders to participate in the Regional Planning Process. Although the Regional Planning Process is open to the public, stakeholders interested in having a voting right in decisions related to the Regional Planning Process are required to execute the Planning Participation Agreement and any necessary confidentiality agreements. The PMC implements the stakeholder-developed Regional Planning Process, which results in a Regional Plan for the ten-year transmission planning horizon.

1. WestConnect Planning Participation Agreement

   Each WestConnect member is a signatory to the Planning Participation Agreement, which formalizes the members' relationships and establishes obligations, including Transmission Owner coordination of regional transmission planning among the WestConnect participants and the local transmission planning processes, and producing a Regional Plan.

2. Members

   WestConnect members can fall into 2 different categories: (i) transmission owners that enroll in the WestConnect Planning Region in order to comply with Order No. 1000 planning and cost allocation requirements, as well as Transmission Owners that elect to participate in the WestConnect Regional Planning Process without enrolling for Order No. 1000 cost allocation purposes, and (ii) stakeholders who wish to have voting input into the methodologies, studies, and decisions made in the execution of those requirements.

a. Joining the WestConnect Planning Region

A transmission owner that wishes to enroll or participate in the WestConnect Planning Region may do so by executing the Planning Participation Agreement and paying its share of costs as provided for in the Planning Participation Agreement.

A stakeholder that wishes to have voting input may join the WestConnect Planning Region by executing the Planning Participation Agreement, paying annual dues, and complying with applicable provisions as outlined in such agreement. For further information regarding membership dues, please see WestConnect's Planning Participation Agreement, located on the WestConnect website at http://www.westconnect.com./planning_agreement.php and on file with FERC.

b. Exiting the WestConnect Planning Region

Should a Transmission Owner member wish to exit the WestConnect Planning Region, it must submit notice in accordance with the Planning Participation Agreement and pay its share of any WestConnect expenditures approved prior to providing its formal notice of withdrawal from the WestConnect Planning Region.

Should a stakeholder wish to exit the WestConnect Planning Region, it may do so by providing notice in accordance with the Planning Participation Agreement. Withdrawing stakeholders will forfeit any monies or dues paid to the PMC and agree to remit to the PMC any outstanding monies owed to WestConnect prior to the effective date of such withdrawal.

c. List of Enrolled Entities

Transmission owners enrolled in the WestConnect Planning Region for purposes of Order No. 1000:

i. Arizona Public Service Company
ii. Black Hills Colorado Electric Utility Company, LP
iii. Black Hills Power, Inc.
iv. Cheyenne Light, Fuel, & Power Company
v. El Paso Electric Company
vi. NV Energy, Inc. Operating Companies
vii. Public Service Company of Colorado
viii. Public Service Company of New Mexico
ix. Tucson Electric Power Company

x. UNS Electric, Inc.

3. WestConnect Objectives and Procedures for Regional Transmission Planning

The Regional Planning Process will produce a Regional Plan that complies with existing Order No. 890 principles and carried forward in Order No. 1000:

a. Coordination

b. Openness

c. Transparency

d. Information exchange

e. Comparability

f. Dispute resolution

g. Regional Coordination

h. Economic Planning Studies

i. Cost Allocation

4. LADWP, along with the other Planning Participation Agreement signatories, shall work through the Regional Planning Process to integrate its transmission plan with the other WestConnect participant transmission plans into a single ten-year Regional Plan for the WestConnect planning region by:

a. Actively coordinating development of the Regional Plan, including incorporating information, as appropriate, from all stakeholders;

b. Coordinating, developing and updating common base cases to be used for all study efforts within the Regional Planning Process and ensuring that each plan adheres to the methodology and format developed for the Regional Plan;

c. Providing funding for the Regional Planning Process and all planning management functions pursuant to the Planning Participation Agreement;

d. Maintaining a regional planning section on the WestConnect website[2] where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted;

e. Posting detailed notices of all regional and local planning meeting agendas on the WestConnect website; and

[2] The WestConnect website is located at http://www.westconnect.com.

f. Establishing a cost allocation process for regional transmission projects selected in the Regional Planning Process for cost allocation.

B. Roles in Regional Planning Process

1. PMC Role

The PMC is responsible for bringing transmission planning information together and sharing updates on active projects. The PMC provides an open forum where any stakeholder interested in the planning of the regional transmission system in the WestConnect footprint can participate and obtain information regarding base cases, plans, and projects and provide input or express its needs as they relate to the transmission system. On a biennial basis and in coordination with its members, Transmission Owners, and other interested stakeholders, the PMC will develop the Regional Plan. The PMC, after considering the data and comments supplied by customers and other stakeholders, develops a regional transmission plan that treats similarly-situated customers (*e.g.*, network, retail network, and native load) comparably in transmission system planning.

The PMC is charged with development and approval of the Regional Plan. The PMC is structured to be comprised of representatives from each stakeholder sector. The PMC is empowered to create and dissolve subcommittees as necessary to facilitate fulfillment of its responsibilities in developing the Regional Plan.

2. Stakeholder Participation and Assistance

Stakeholders may participate in the Regional Planning Process by any one or more of the following ways: (a) joining one of five WestConnect regional transmission planning membership sectors described below; (b) by attending publicly-posted WestConnect regional transmission planning stakeholder meetings; and/or (c) by submitting project proposals for consideration and evaluation in the Regional Planning Process.

Attendance at meetings is open to all interested stakeholders. These meetings will include discussion of models, study criteria and assumptions, and progress updates. Formal participation, including voting as allowed by the process, can be achieved through payment of applicable fees and annual dues as a member of WestConnect in accordance with the Planning Participation Agreement. Transmission Owners with a Load Serving Obligation will not be responsible for annual dues because Transmission Owners with a Load Serving Obligation will be the default source of monies to support WestConnect activities beyond dues paid by other organizations.

WestConnect Planning Region members will assist stakeholders interested in becoming involved in the Regional Planning Process by directing them to appropriate contact persons and websites. All stakeholders are encouraged to bring their plans for future generators, loads or transmission services to the WestConnect planning meetings. Each transmission planning cycle will contain a period during which project ideas are accepted for potential inclusion in that cycle's Regional Plan.

3. Forum for Evaluation

   The WestConnect Regional Planning Process provides a forum for transmission project sponsors to introduce their specific projects to interested stakeholders and potential partners and allows for joint study of these projects by interested parties, coordination with other projects, and project participation, including ownership from other interested parties. This may include evaluation of transmission alternatives or non-transmission alternatives in coordination with the Regional Planning Process.

4. Stakeholder Meetings

   WestConnect holds open stakeholder meetings on at least a semi-annual basis, or as needed and noticed by the PMC with 30 days' advance notice to update stakeholders about its progress in developing the Regional Plan and to solicit input regarding material matters of process related to the Regional Plan. Notice for such meetings is posted on the WestConnect website and via email to the Regional Planning Process email distribution list.

   The meeting agendas for all WestConnect planning meetings are sufficiently detailed, posted on the WestConnect website, and circulated in advance of the meetings in order to allow stakeholders the ability to choose their meeting attendance most efficiently.

5. WestConnect Planning Process Governance

   a. Membership Sectors

      The Regional Planning Process is governed by the PMC, which is tasked with executing the Regional Planning Process and has authority for approving the Regional Plan. For those entities desiring to be a part of the management of the Regional Planning Process, one of five PMC membership sectors is available:

      i. Transmission Owners with Load Serving Obligations
      ii. Transmission Customers

iii. Independent Transmission Developers and Owners
iv. State Regulatory Commissions
v. Key Interest Groups

Only transmission owners that have load serving obligations individually or through their members may join the Transmission Owners with Load Serving Obligations membership sector. The Transmission Owners with Load Serving Obligations sector will be comprised of (a) those transmission owners that enroll in the WestConnect Planning Region for purposes of Order No. 1000; and (b) those transmission owners that elect to participate in the WestConnect Regional Planning Process as Coordinating Transmission Owners.

Except for Public Utilities that are required to comply with Order No. 1000, any entity may join any membership sector for which it qualifies, but may only participate in one membership sector at a time. If a non-public utility is qualified to join the Transmission Owners with Load Serving Obligations sector as well as one or more other sectors, and the non-public utility elects to join a sector other than the Transmission Owners with Load Serving Obligations sector, the PMC will not perform the function of regional transmission planning for that entity. Additionally, if a member of the Transmission Owner with Load Serving Obligations sector owns transmission facilities located in another planning region, the PMC will not perform the function of regional planning for such facilities located in another planning region.

b. Planning Management Committee

The PMC is empowered to create and dissolve subcommittees as necessary to ensure timely fulfillment of its responsibilities; to assess fees for membership status on the PMC; and to assess fees for projects submitted for evaluation as part of the Regional Planning Process. The PMC manages the Regional Planning Process, including approval of the Regional Plan that includes application of regional cost allocation methodologies.

The PMC coordinates and have the decision-making authority over whether to accept recommendations from the Planning Subcommittee (PS) and Cost Allocation Subcommittee (CAS). The PMC, among other things, develops and approves the Regional Plan based on recommendations from the PS and CAS; and develops and approves a scope of work, work plan, and periodic reporting for WestConnect planning functions, including holding a minimum of two stakeholder informational meetings per year. The PMC appoints the chair of the PS and CAS. The chair for each subcommittee must be a representative of the Transmission Owners with Load Serving Obligations member sector.

The PS responsibilities include, but are not limited to, reviewing and making recommendations to the PMC for development of study plans, establishing base cases, evaluating potential solutions to regional transmission needs, producing and recommending the Regional Plan for PMC approval, and coordinating with the CAS. The PS provides public notice of committee meetings and provides opportunities for stakeholders to provide comments on the process and proposed plan.

The CAS responsibilities include, but are not limited to, performing and/or overseeing the performance of the cost allocation methodology. The CAS also reviews and makes recommendations to the PMC for modifying definitions of benefits and cost allocation methodology as necessary to meet WestConnect planning principles on identification of beneficiaries and cost allocation. The CAS reviews and recommends projects to the PMC for purposes of cost allocation identified in the Regional Planning Process. The CAS provides public notice of committee meetings and provides opportunities for stakeholders to provide comments on the process and proposed cost allocation.

All actions of the PMC (including approval of the Regional Plan) are made possible by satisfying either of the following requirements:

i. 75% of the members voting of at least three (3) sectors approving a motion, where one of the three sectors approving is the Transmission Owners with Load Serving Obligation sector; or

ii. 75% of the members voting of the four member sectors other than the Transmission Owners with Load Serving Obligation sector approving a motion and two-thirds (2/3) of the members voting of the Transmission Owners with Load Serving Obligation sector approving a motion.

Each entity within a membership sector is entitled to one vote on items presented for decision.

Any closed executive sessions of the PMC will address matters outside of the development of the Regional Planning Process, including matters involving contracts, personnel, financial matters, or legal matters such as, but not limited to, litigation (whether active or threatened).

C Submission of Data by Customers, Transmission Developers and Transmission Owners

When stakeholder feedback on modeling assumptions is requested, the data submittal period for such feedback is established by the PMC. In all cases, requests for submittal of data from WestConnect members and stakeholders is followed by a data submittal window lasting no less than thirty (30) days from the date of such requests. In addition, consistent with the Regional Planning Process, any interested stakeholder may submit project ideas for consideration in the Regional Plan without a need for that stakeholder to qualify for a project submittal for purposes of cost allocation. Specific project submittals are treated differently than generalized project ideas. For any project submittal seeking study by the PMC in the Regional Planning Process to address a regional need identified by the PMC (without regard to whether the project seeks cost allocation), a project submittal deposit will be collected and made subject to later true-up based upon the actual cost of the study(ies) performed. Project submittals are accepted through the fifth (5th) quarter of the planning cycle (or first (1st) quarter of the second (2nd) year). A timeline detailing the timing and notice for submission of information and input can be found in Exhibit 1 of this Attachment K.

1. Transmission Customers

   Transmission customers shall generally submit their load forecast and other relevant data through the WestConnect member's (*e.g.*, LADWP's) local transmission planning process. However, from time to time, there may be a need for transmission customers participating in the Regional Planning Process to submit data directly to WestConnect. This data may include, but is not limited to load forecasts, generation resource plans, demand side management resources, proposed transmission upgrade recommendations, and feedback regarding certain assumptions in the planning process.

   No less than thirty (30) days' notice will be given for customers to submit any required data and data submissions will generally be able to be made via email or by posting information to a designated website.

2. Independent Transmission Developers and Owners

   Transmission Developers are entities with project ideas they wish to submit into the Regional Planning Process. These may include project submittals that the developer wishes to be considered to address an identified regional need (whether or not the project is eligible for regional cost allocation).

   Each regional transmission planning cycle will include a submission period for project ideas as described in Section III.C.5 below. Notice of the submission period

is posted on the WestConnect website and is made via email to WestConnect stakeholders. The submission period lasts for no less than thirty (30) days and during this time, any entity that wishes to submit a transmission project for consideration in the Regional Planning Process to address an identified regional need may do so.

Projects proposed by Independent Transmission Developers and Owners are subject to the same Reliability Standards as projects submitted by Transmission Owners with Load Serving Obligations. The project developer shall register with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organizations, and all local, state, regional, and federal requirements.

3. Merchant Transmission Developers

Merchant Transmission Developers are entities pursuing completion of projects that do not wish to have their projects considered for regional cost allocation. Nonetheless, coordination between merchant projects and the Regional Planning Process is necessary to affect a coordinated Regional Plan that considers all system needs.

Each regional transmission planning cycle includes a submission period for project submittals to address an identified regional need, as described in Section III.C.5 below. Notice of the submission period is posted on the WestConnect website and is made via email to WestConnect stakeholders. In addition, it is necessary for merchant transmission developers to provide adequate information and data to allow the PMC to assess the potential reliability and operational impacts of the merchant transmission developer's proposed transmission facilities on other systems in the region. The submission period lasts for no less than thirty (30) days and during this time sponsors of merchant transmission projects that are believed to impact the WestConnect transmission system are asked to provide certain project information.

Projects proposed by Merchant Transmission Developers are subject to the same Reliability Standards as projects submitted by Transmission Owners with Load Serving Obligations. The project developer is responsible for properly registering with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organization and all local, state, regional, and federal requirements.

4. Transmission Owners with Load Serving Obligations

   Transmission Owners that are members of the WestConnect Planning Region are responsible for providing all necessary system information to the Regional Planning Process.

   At the beginning of each regional transmission planning cycle, Transmission Owners that are participating in the Regional Planning Process shall be responsible for verifying the accuracy of any data (including, but not limited to system topology and project proposal information) they have previously submitted. Transmission Owners shall also be required to submit all relevant data for any new projects being proposed for inclusion in the Regional Plan to address an identified regional need in accordance with Section III.C.5 below. Transmission Owners shall also be responsible for submitting any project plans developed through their local transmission planning processes for inclusion in the Regional Plan models.

5. Transmission Project Submittals

   All submittals of transmission projects to address an identified regional need, without regard to whether or not the project seeks regional cost allocation, are to contain the information set forth below, together with the identified deposit for study costs, and be submitted timely within the posted submittal period in order for the project submittal to be eligible for evaluation in the Regional Planning Process. A single project submittal may not seek multiple study requests. To the extent a project proponent seeks to have its project studied under a variety of alternative project assumptions, the individual alternatives must be submitted as individual project submittals. To be eligible to propose a project for selection in the Regional Plan, a project proponent must also be an active member in good standing within one of the five PMC membership sectors:

   - Submitting entity contact information
   - Explanation of how the project is a more efficient or cost-effective solution to regional transmission needs*
   - A detailed project description including, but not limited to, the following:
     - Scope
     - Points of interconnection to existing (or planned) system
     - Operating Voltage and Alternating Current or Direct Current status
     - Circuit configuration (Single, Double, Double-Circuit capable, etc.)
     - Impedance information
     - Approximate circuit mileage

- Description of any special facilities (series capacitors, phase shifting transformers, etc.) required for the project
- Diagram showing geographical location and preferred route; general description of permitting challenges
- Estimated Project Cost and description of basis for that cost*
- Any independent study work of or relevant to the project
- Any WECC study work of or relevant to the project
- Status within the WECC path rating process
- The project in-service date
- Change files to add the project to a standard system power flow model
- Description of plan for post-construction maintenance and operation of the proposed line
- A $25,000 deposit to support the cost of relevant study work, subject to true-up (up or down) based upon the actual cost of the study(ies)*. The true-up will include interest on the difference between the deposit and the actual cost, with such interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations. A description of the costs to which the deposit was applied, how the costs were calculated, and an accounting of the costs will be provided to each project sponsor within 30 calendar days of the completion of the study. Dispute resolution is addressed pursuant to Section VI.
- Comparison Risk Score from WECC Environmental Data Task Force, if available.
- Impacts to other regions. The applicant must provide transmission system impacts studies showing system reliability impacts to neighboring transmission systems or another transmission planning region. The information should identify all costs associated with any required upgrades to mitigate adverse impacts on other transmission systems.

* Merchant transmission developers are exempt from these requirements.

If impact studies and costs are not available at the time of submittal, the project proponent may request that impact studies be performed, at the project proponent's expense, as part of the analysis to determine whether the project is the more efficient or cost-effective solution. Requests for transmission system impact studies are approved through the PMC depending on whether the project proponent provides funding for the analysis. The PMC will provide, subject to appropriate confidentiality and CEII restrictions, the information in the possession of the PMC that an applicant needs to perform

the transmission system impact study and to identify the costs associated with any upgrades required to mitigate adverse impacts.

There is an open submission period for project proposals to address identified regional needs. Notice of the submission period is posted on the WestConnect website and will also be made via email to WestConnect stakeholders. The submission period lasts for no less than thirty (30) days and ends by the fifth (5th) quarter of the WestConnect planning cycle (or first (1st) quarter of the second (2nd) year of the planning cycle). Proposals submitted outside that window will not be considered. The PMC has the authority to determine the completeness of a project submittal. Project submittals deemed incomplete are granted a reasonable opportunity to cure any deficiencies identified in writing by the PMC.

Any stakeholder wishing to present a project submittal to address an identified regional need shall be required to submit the data listed above for the project to be considered in the Regional Planning Process. Should the submitting stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. The PMC retains the sole authority for determining completeness of the information submittal. After the completion of the project submittal period, the PMC posts a document on the WestConnect website detailing why any projects were rejected as incomplete. Upon posting of the document, any project submittal rejected as incomplete is given a reasonable opportunity to cure the reason(s) it was rejected to the satisfaction of the PMC in its sole discretion.

6. Submission of Non-Transmission Alternative Projects

Any stakeholder may submit projects proposing non-transmission alternatives to address an identified regional need for evaluation under the Regional Planning Process. The submission period will last for no less than thirty (30) days. The submission window will end by the fifth (5th) quarter of the WestConnect planning cycle (or first (1st) quarter of the second (2nd) year of the planning cycle). The following criteria must be satisfied in order for a non-trans mission alternative project submittal to be evaluated under the Regional Planning Process:

- Basic description of the project (fuel, size, location, point of contact)
- Operational benefits
- Load offset, if applicable
    - Description of the issue sought to be resolved by the generating facility or non-transmission alternative, including reference to any results of prior technical studies
    - Network model of the project flow study

- Short-circuit data
- Protection data
- Other technical data that might be needed for resources
- Project construction and operating costs
- Additional miscellaneous data (e.g., change files if available)

As with entities submitting a transmission project under Section III.C.5, those who submit under Section III.C.6 a non-transmission alternative under the Regional Planning Process must adhere to and provide the same or equivalent information (and deposit for study costs) as transmission alternatives. Should the submitting stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. Although non-transmission alternative projects will be considered in the Regional Planning Process, they are not eligible for regional cost allocation.

7. The WestConnect Regional Planning Cycle

The WestConnect regional transmission planning cycle is biennial. The WestConnect PMC will develop and publish a Regional Plan every other year.

D Transmission Developer Qualification Criteria

1. In General

A transmission developer that seeks to be eligible to use the regional cost allocation methodology for a transmission project selected in the Regional Plan for purposes of cost allocation must identify its technical and financial capabilities to develop, construct, own, and operate a proposed transmission project. To be clear, satisfaction of the criteria set forth below does not confer upon the transmission developer any right to:

(i) construct, own, and/or operate a transmission project,
(ii) collect the costs associated with the construction, ownership and/or operation of a transmission project,
(iii) provide transmission services on the transmission facilities constructed, owned and/or operated.

The applicable governing governmental authorities are the only entities empowered to confer any such rights to a transmission developer. The PMC is not a governmental authority.

2. Information Submittal

A transmission developer seeking eligibility for potential designation as the entity eligible to use the regional cost allocation for a transmission project selected in the Regional Plan for purposes of cost allocation must submit to the PMC the following information during the first quarter of the WestConnect planning cycle, except that during the first WestConnect planning cycle the PMC shall have the discretion to extend the period for the submission of this information:

a. Overview

A brief history and overview of the applicant demonstrating that the applicant has the capabilities to finance, own, construct, operate and maintain a regional transmission project consistent with Good Utility Practice within the state(s) within the WestConnect Planning Region. The applicant should identify all transmission projects it has constructed, owned, operated and/or maintained, and the states in which such projects are located.

b. Business Practices

A description of the applicant's experience in processes, procedures, and any historical performance related to engineering, constructing, operating and maintaining electric transmission facilities, and managing teams performing such activities. A discussion of the types of resources, including relevant capability and experience (in-house labor, contractors, other transmission providers, etc.) contemplated for the licensing, design, engineering, material and equipment procurement, siting and routing, Right-of-Way (ROW) and land acquisition, construction and project management related to the construction of transmission projects. The applicant should provide information related to any current or previous experience financing, owning, constructing, operating and maintaining and scheduling access to regional transmission facilities.

c. Compliance History

The applicant should provide an explanation of any violation(s) of NERC and/or Regional Entity Reliability Standards and/or other regulatory requirements pertaining to the development, construction, ownership, operation, and/or maintenance of electric transmission facilities by the applicant or any parent, owner, affiliate, or member of the applicant that is an Alternate Qualifying Entity under Section III.A.2.l. Notwithstanding the foregoing, if at the time the applicant submits the information required by this Section III.D.2, the applicant has not developed, constructed, owned, operated or maintained electric transmission facilities, the applicant shall instead submit such information for any electric

distribution or generating facilities it develops, constructs owns, operates and/or maintains, as applicable, to demonstrate its compliance history.

d. Participation in the Regional Planning Process

A discussion of the applicant's participation within the Regional Planning Process or any other planning forums for the identification, analysis, and communication of transmission projects.

e. Project Execution

A discussion of the capability and experience that would enable the applicant to comply with all on-going scheduling, operating, and maintenance activities associated with project development and execution.

f. Right-of-Way Acquisition Ability

The applicant's preexisting procedures and historical practices for siting, permitting, landowner relations, and routing transmission projects including, acquiring ROW and land, and managing ROW and land acquisition for transmission facilities. Any process or procedures that address siting or routing transmission facilities through environmentally sensitive areas and mitigation thereof. If the entity does not have such preexisting procedures, it shall provide a detailed description of its plan for acquiring ROW and land and managing ROW and land acquisition.

g. Financial Health

The applicant must demonstrate creditworthiness and adequate capital resources to finance transmission projects. The applicant shall either have an investment grade credit rating from both S&P and Moody's or provide corporate financial statements for the most recent five years for which they are available. Entities that do not have a credit rating, or entities less than five years old, shall provide corporate financial statements for each year that is available. Alternatively, the applicant may provide a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the PMC.

The following ratios must be provided with any explanations regarding the ratios:

- Funds from operations-to-interest coverage.
- Funds from operation-to-total debt.
- Total debt-to-total capital.

The applicant must indicate the levels of the above ratios the company will maintain during and following construction of the transmission element.
The PMC may request additional information or clarification as necessary.

h. Safety Program

The applicant must demonstrate that it has an adequate internal safety program, contractor safety program, safety performance record and program execution.

i. Transmission Operations

The applicant must: demonstrate that it has the ability to undertake control center operations capabilities, including reservations, scheduling, and outage coordination; demonstrate that it has the ability to obtain required path ratings; provide evidence of its NERC compliance process and compliance history, as applicable; demonstrate any existing required NERC certifications or the ability to obtain any applicable NERC certifications; establish required Total Transfer Capability; provide evidence of storm/outage response and restoration plans;
provide evidence of its record of past reliability performance, as applicable; and provide a statement of which entity will be operating completed transmission facilities and will be responsible for staffing, equipment, and crew training. A potential transmission developer will not be required to have an operations entity under contract at the time it seeks to be eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

j. Transmission Maintenance

The applicant must demonstrate that it has, or has plans to develop, an adequate transmission maintenance program, including staffing and crew training, transmission facility and equipment maintenance, record of past maintenance performance, NERC compliance process and any past history of NERC compliance or plans to develop a NERC compliance program, and provide a statement of which entity will be performing maintenance on completed transmission facilities. A potential transmission developer will not be required to have a maintenance entity under contract at the time it seeks to be eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

k. Regulatory Compliance

The applicant must demonstrate the ability, or plans to develop the ability, to comply with Good Utility Practice, WECC criteria and regional Reliability

Standards, NERC Reliability Standards, construction standards, industry standards, and environmental standards.

l. Affiliation Agreements

A transmission developer can demonstrate that it meets these criteria either on its own or by relying on an entity or entities with whom it has a corporate affiliation or other third parties with relevant experience (Alternate Qualifying Entity(ies)). In lieu of a contractual or affiliate relationship with one or more Alternate Qualifying Entity(ies) and to the extent a transmission developer intends to rely upon third parties for meeting those criteria, the transmission developer must provide in attestation form, an identification of its preferred third-party contractor(s) and indicate when it plans to enter into a definitive agreement with its third-party contractor(s). If the transmission developer seeks to satisfy the criteria in whole or in part by relying on one or more Alternate Qualifying Entity(ies), the transmission developer must submit: (1) materials demonstrating to the PMC's satisfaction that the Alternate Qualifying Entity(ies) meet(s) the criteria for which the transmission developer is relying upon the alternate qualifying entity(ies) to satisfy; and (2) a commitment to provide in any project cost allocation application an executed agreement that contractually obligates the Alternate Qualifying Entity(ies) to perform the function(s) for which the transmission developer is relying upon the Alternate Qualifying Entity(ies) to satisfy.

m. WestConnect Membership

A transmission developer must be a member of either the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector, or must agree to join the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector and agreed to sign the Planning Participation Agreement if the transmission developer seeks to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

n. Other

Any other relevant project development experience that the transmission developer believes may demonstrate its expertise in the above areas.

3. Identification of Transmission Developers Satisfying the Criteria

a. Notification to Transmission Developer

No later than September 30 each year, the PMC notifies each transmission developer whether it has satisfied the stated criteria. A transmission developer failing to satisfy one or more of the qualification criteria is informed of the failure(s) and accorded an additional opportunity to cure any deficiency(ies) within thirty (30) calendar days of notice from the PMC by providing any additional information.

The PMC informs the transmission developer whether the additional information satisfies the qualification criteria within forty-five (45) calendar days of receipt of the additional information.

The PMC identifies the transmission developers that have satisfied the qualification criteria (the "Eligible Transmission Developers") by posting on the WestConnect website, on or before December 31 of each year.

b. Annual Recertification Process and Reporting Requirements

By June 30 of each year, each Eligible Transmission Developer must submit to WestConnect a notarized letter signed by an authorized officer of the Eligible Transmission Developer certifying that the Eligible Transmission Developer continues to meet the current qualification criteria.

The Eligible Transmission Developer shall submit to the PMC an annual certification fee equal to the amount of the WestConnect annual membership fee. If the Eligible Transmission Developer is a member of WestConnect and is current in payment of its annual membership fee, then no certification fee is required.

If at any time there is a change to the information provided in its application, an Eligible Transmission Developer shall be required to inform the PMC chair within thirty (30) calendar days of such change so that the PMC may determine whether the Eligible Transmission Developer continues to satisfy the qualification criteria. Upon notification of any such change, the PMC shall have the option to: (1) determine that the change does not affect the status of the transmission developer as an Eligible Transmission Developer; (2) suspend the transmission developer's eligibility status until any deficiency in the transmission developer's qualifications is cured; (3) allow the transmission developer to maintain its eligibility status for a limited time period, as specified by the PMC, while the transmission developer cures the deficiency; or (4) terminate the transmission developer's eligibility status.

c. Termination of Eligibility Status

The PMC may terminate an Eligible Transmission Developer's status if the Eligible Transmission Developer: (1) fails to submit its annual certification letter; (2) fails to pay the applicable WestConnect membership fees; (3) experiences a change in its qualifications and the PMC determines that it may no longer qualify as an Eligible Transmission Developer; (4) informs the PMC that it no longer desires to be an Eligible Transmission Developer; (5) fails to notify the PMC of a change to the information provided in its application within thirty (30) days of such change; or (6) fails to execute the Planning Participation Agreement as agreed to in the qualification criteria within a reasonable time defined by the PMC, after seeking to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

E. Overview of Regional Planning Methodology and Evaluation Process

The Regional Planning Process is intended to identify regional needs and more efficient or cost-effective solutions to satisfy those needs. Consistent with Order No. 890, qualified projects timely submitted through the Regional Planning Process are evaluated and selected from competing solutions and resources such that all types of resources, as described below, are considered on a comparable basis. The same criteria and evaluation process are applied to competing solutions and/or projects, regardless of type or class of stakeholder proposing them. Where a regional transmission need is identified, the PMC performs studies that seek to meet that need through regional projects, even in the absence of project proposals advanced by stakeholders or projects identified through the WECC process. When the PMC performs a study to meet an identified regional need in circumstances where no stakeholder has submitted a project proposal to meet that regional need, the PMC pursues such studies in a not unduly discriminatory fashion. The study methods employed for PMC-initiated studies are the same types of study methods employed for stakeholder-initiated studies (*see, e.g.*, Section III.F addressing the use of NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects, Section III.G addressing the use of production cost modeling for regional economic projects, and Section III.H addressing the identification of Public Policy Requirements for regional public policy-driven projects).

Solution alternatives are evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to fulfill the identified need practically; (2) ability to meet applicable reliability criteria or NERC Transmission Planning Standards issues; (3) technical, operational and financial feasibility; (4) operational benefits/constraints or issues; (5) cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); (6) where applicable, consistency with Public Policy Requirements or regulatory requirements, including cost recovery through regulated rates; and (7) a project must be determined by the PMC to be a more efficient or cost-effective solution to one or more

regional transmission needs to be eligible for regional cost allocation, as more particularly described below.

The Regional Planning Process provides for an assessment of regional solutions falling in one or more of the following categories:

- Regional reliability solutions
- Regional economic solutions
- Regional transmission needs driven by Public Policy Requirements
- Non-transmission alternatives

LADWP encourages all interested stakeholders to consult the Business Practice Manual for additional details regarding the planning process, timing, and implementation mechanics. A flow chart depicting the Regional Planning Process is attached hereto as Exhibit 1.

All WestConnect Transmission Owners with Load Serving Obligation shall be responsible for submitting their local transmission plans for inclusion in the Regional Plan in accordance with the timeline stated in the Business Practice Manual. Those individual plans are included in the Regional Plan base case system models.

F. WestConnect Reliability Planning Process

Once the base case is established and verified, the PMC performs a regional reliability assessment in which the base case system models are checked for adherence to the relevant NERC or WECC Transmission Planning Reliability Standards, through appropriate studies, including, but not limited to, steady-state power flow, voltage, stability, short circuit, and transient studies as outlined in the Business Practice Manual. If a reliability violation is identified in this power flow process, the violation is referred back to the appropriate Transmission Owner.

The PMC identifies projects to resolve any regional violations that impact more than one Transmission Owner of relevant NERC or WECC Transmission Planning Reliability Standards or WECC criteria. In addition, an opportunity will be afforded to any interested party to propose regional reliability projects that are more efficient or cost-effective than other proposed solutions. The PMC then identifies the more efficient or cost-effective regional transmission project that meets the identified regional transmission need, taking into account factors such as how long the project would take to complete and the timing of the need. Because local Transmission Owners are ultimately responsible for compliance with NERC Reliability Standards and for meeting local needs the local transmission plans will not be modified, however, the PMC may identify more efficient or cost-effective regional transmission projects. The PMC performs the regional reliability assessment and, if necessary, identify a regional need

for transmission projects to resolve any violations that impact more than one Transmission Owner in the fourth quarter of the planning cycle.

G. WestConnect Economic Planning Process

As part of the Regional Planning Process, the PMC analyzes whether there are projects that have the potential to reduce the total delivered cost of energy by alleviating congestion or providing other economic benefits to the WestConnect Planning Region through production cost modeling. This analysis also utilizes WECC Board-approved recommendations to further investigate congestion within the WestConnect Planning Region for congestion relief or economic benefits that has subsequently been validated by WestConnect. Additional projects may also be proposed by WestConnect stakeholders or developed through the stakeholder process for evaluation of economic benefits. Under the Regional Planning Process, the PMC identifies more efficient or cost-effective regional transmission projects, but will not modify local transmission plans.

The WestConnect economic planning process analyzes benefits via detailed production cost simulations. The models employed in the production cost simulations appropriately consider the impact of transmission projects on production cost and system congestion. The WestConnect economic planning process also considers the value of decreased reserve sharing requirements in its development of a plan that is more efficient or cost-effective. As seen in Exhibit 1 of this Attachment K, the PMC develops the production cost modeling analysis in the second (2nd) and third (3rd) quarters of the planning cycle and identify economic transmission projects in the sixth (6th) quarter and parts of the fifth (5th) and seventh (7th) quarters of the planning cycle.

H. WestConnect Public Policy Planning Process

a. Procedures for Identifying Transmission Needs Driven by Public Policy Requirements

It is anticipated that any regional transmission need that is driven by Public Policy Requirements will be addressed initially within the local planning cycles of the individual Transmission Owners in the WestConnect Planning Region through the consideration of local transmission needs driven by a Public Policy Requirement, since a Public Policy Requirement is a requirement that is imposed upon individual Transmission Owners (as opposed to a requirement that is imposed on a geographic region). For those Public Policy Requirements that affect more than one Transmission Owner in the WestConnect Planning Region, a solution identified at the local level to satisfy the local needs of the affected Transmission Owner(s), may also satisfy a regional transmission need identified by the PMC for the WestConnect Planning Region.

WestConnect Transmission Owner members that are planning consistent with Order No. 890 will continue to conduct local transmission planning processes (Section II of this Attachment K), which provide a forum for discussions on local transmission needs driven by Public Policy Requirements. These local processes provide the basis for the individual Transmission Owners' local transmission plans, which are then incorporated into the regional base case at the start of the Regional Planning Process under Order No. 1000.

The PMC provides notice on the WestConnect website of both regional transmission planning meetings convened by the PMC for the WestConnect region, and local transmission planning meetings of the individual Transmission Owners in the WestConnect region.

The PMC begins the evaluation of regional transmission needs driven by Public Policy Requirements by identifying any Public Policy Requirements that are driving local transmission needs of the Transmission Owners in the WestConnect Planning Region, and including them in the transmission system models (the regional base case) underlying the development of the Regional Plan. Then, the PMC seeks the input of stakeholders in the WestConnect region on those Public Policy Requirements in an effort to engage stakeholders in the process of identifying regional transmission needs driven by Public Policy Requirements. The PMC communicates with stakeholders through public postings on the WestConnect website of meeting announcements and discussion forums. In addition, the PMC maintains an email distribution list for those stakeholders who indicate a desire to receive information via electronic list serves.

After allowing for stakeholder input on regional transmission needs driven by Public Policy Requirements and regional solutions to those needs, as part of the Regional Planning Process, the PMC identifies in the Regional Plan those regional transmission needs driven by Public Policy Requirements that were selected by the PMC for evaluation of regional solutions.

In selecting those regional transmission needs driven by Public Policy Requirements that will be evaluated for regional solutions in the current planning cycle, the PMC considers, on a non-discriminatory basis, factors, including but not limited to, the following:

(i) whether the Public Policy Requirement is driving a regional transmission need that can be reasonably identified in the current planning cycle;
(ii) the feasibility of addressing the regional transmission need driven by the Public Policy Requirement in the current planning cycle;
(iii) the factual basis supporting the regional transmission need driven by the Public Policy Requirement; and
(iv) whether a Public Policy Requirement has been identified for which a regional transmission need has not yet materialized, or for which there may exist a regional transmission need but the development of a solution to that need is premature.

No single factor shall necessarily be determinative in selecting among the potential regional transmission needs driven by Public Policy Requirements. The process by which the PMC identifies those regional transmission needs for which a regional transmission solution(s) will be evaluated, out of what may be a larger set of regional transmission needs, utilizes the communication channels it has in place with stakeholders, identified above (open meetings and discussion forums convened by the PMC), through which regional transmission needs driven by Public Policy Requirements may be part of the open dialogue.

b. Procedures for Identifying Solutions to Regional Transmission Needs Driven by Public Policy Requirements

Stakeholders have opportunities to participate in discussions during the Regional Planning Process with respect to the development of solutions to regional transmission needs driven by Public Policy Requirements. Such participation may take the form of attending planning meetings, offering comments for consideration by the PMC on solutions to regional needs driven by Public Policy Requirements, and offering comments on proposals made by other stakeholders or by the PMC. Stakeholders that are members of the WestConnect PMC are performing the function of regional transmission planning and developing regional solutions to identified

regional transmission needs driven by Public Policy Requirements through membership on subcommittees of the PMC.

After allowing for stakeholder input on solutions to regional transmission needs driven by Public Policy Requirements, as part of the Regional Planning Process, the PMC identifies in the Regional Plan those regional transmission solutions driven by Public Policy Requirements that were selected by the PMC and any regional transmission project(s) that more efficiently or cost-effectively meet those needs.

The procedures for identifying and evaluating potential solutions to the identified transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the Regional Planning Process, whether or not submitted for purposes of cost allocation.

The PMC performs a Public Policy Requirements analysis to help identify if a transmission solution is necessary to meet an enacted public policy. For a transmission need driven by Public Policy Requirements, the PMC identifies whether a more efficient or cost-effective regional transmission solution exists based upon several different considerations, including consideration of whether the project is necessary and capable of meeting transmission needs driven by Public Policy Requirements, while also:

(i) Efficiently resolving any criteria violations identified by studies pursuant to any relevant NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects or WECC Transmission Planning Reliability Standards or WECC criteria, as applicable, that could impact more than one Transmission Owner as a result of a Public Policy Requirement or,

(ii) Producing economic benefits shown through detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost, system congestion and the value of decreased reserve sharing requirements.

The PMC develops the public policy analysis in the sixth (6th) quarter and parts of the fifth (5th) and seventh (7th) quarters of the planning cycle.

c. Proposed Public Policy

A public policy that is proposed, but not required (because it is not yet enacted or promulgated by the applicable governmental authority) may be considered through

Section III.G (WestConnect Economic Planning Process) of this Attachment K, if time and resources permit.

d. Posting of Public Policy Needs

WestConnect maintains on its website (i) a list of all transmission needs identified that are driven by Public Policy Requirements and that are included in the studies for the current regional transmission planning cycle; and (ii) an explanation of why other suggested transmission needs driven by Public Policy Requirements will not be evaluated.

I. Consideration of Non-Transmission Alternatives

Non-transmission alternatives submitted in accordance with Section III.C above are evaluated to determine if they will provide a more efficient or cost-effective solution to an identified regional transmission need. Non-transmission alternatives include, without limitation, technologies that defer or possibly eliminate the need for new and/or upgraded transmission lines, such as distributed generation resources, demand-side management (load management, such as energy efficiency and demand response programs), energy storage facilities and smart grid equipment that can help eliminate or mitigate a grid reliability problem, reduce uneconomic grid congestion, and/or help to meet grid needs driven by Public Policy Requirements. Non-transmission alternatives are not eligible for regional cost allocation.

J. Approval of the WestConnect Regional Plan

The Cost Allocation Subcommittee submits, for review and comment, the results of its project benefit/cost analysis and beneficiary determination to the PMC Chair and to the identified beneficiaries of the transmission projects proposed for cost allocation. The PMC shall make available to its Members sufficient information to allow for a reasonable opportunity to comment on the proposed selection. The PMC shall not make a determination on the project benefit/cost analysis and beneficiary determination until it has reviewed all comments. Upon approval of the PMC, the project benefit/cost analysis and beneficiary identifications shall be posted by the PMC on the WestConnect website.

1. CTO Acceptance of Cost Allocation

Each Coordinating Transmission Owner (CTO) beneficiary will indicate whether it accepts the cost allocation for the project, as follows:

a. A CTO Member, in its sole discretion, may elect to accept a cost allocation for each separate transmission facility for which it is identified as a beneficiary, but

only if it notifies the Chair of the PMC in writing of its decision to accept any such cost allocation within sixty (60) calendar days after the benefit/cost analysis is posted by the PMC under this Section III.J; provided, however, that the PMC has the discretion to extend the 60-day period when additional time is necessary for an identified beneficiary to complete its internal review and deliberation process before deciding to accept the cost allocation.

b. A CTO Member giving notice that it elects to accept a cost allocation for a transmission facility may rescind that notice at any time prior to the end of the sixty (60) day period, or such extended period established in this Section III.J.1.

c. A CTO Member that does not accept a cost allocation for a transmission facility will not be subject to cost allocation for that transmission facility.

The information made available under this Section III.J will be electronically masked and made available pursuant to a process that the PMC reasonably determines is necessary to prevent the disclosure of confidential information or CEII contained in the information.

2. Recalculation of Benefits and Costs for Reliability Projects

The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission need(s) which was included within the identification of the region's transmission needs under Sections IV.F through IV.H (for which the regional project would have avoided an alternative reliability project in such CTO's local transmission plan) will be removed as a regional transmission need for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan for purposes of cost allocation.

3. Recalculation of Benefits and Costs for Public Policy Requirements Projects

The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission need(s) which was included within the identification of the region's transmission needs under Sections III.F through III.H (for which the regional project would have avoided an alternative Public Policy Requirements project in such CTO's local transmission plan) will be removed as a regional transmission need for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan

for purposes of cost allocation. This shall include any such CTO's resource needs necessary to comply with Public Policy Requirements.

4. Recalculation of Benefits and Costs for Economic Projects

   The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission benefits which were included within the identification of the regional project's economic benefits under Sections III.F through III.H will be removed as a regional transmission benefit for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan for purposes of cost allocation. This shall include the value of any economic benefits determined through the regional transmission plan to accrue to such CTO.

5. Resultant Increase in Beneficiary Cost Allocation

   Any regional transmission project that continues to meet the region's benefit/cost and other criteria for regional cost allocation will remain eligible for selection in the Regional Plan for purposes of cost allocation.

6. Approval of the WestConnect Regional Transmission Plan

   Upon completion of the process outlined above, the PMC will vote on whether to accept the proposed plan. The Regional Plan will document why projects were either included or not included in the Regional Plan. In addition, the Regional Plan describes the manner in which the applicable regional cost allocation methodology was applied to each project selected in the Regional Plan for purposes of regional cost allocation. Projects that meet system needs are incorporated into the Regional Plan. Participant funded projects and other types of projects may be included in the Regional Plan; however, those projects are not eligible for regional cost allocation.

K. Reevaluation of the WestConnect Regional Plan

The PMC is the governing body responsible for deciding whether to reevaluate the Regional Plan to determine if the conditions, facts and/or circumstances relied upon in initially selecting a transmission project for inclusion in the Regional Plan for purposes of cost allocation have changed and, as a result, require reevaluation. Reevaluation will begin within the second planning cycle following Effective Date, which is the effective date of the Planning Participation Agreement. The Regional Plan and any project selected for cost allocation in the Regional Plan, including any local or single-system transmission projects or planned transmission system upgrades to existing facilities selected for

purposes of cost allocation, shall be subject to reevaluation in each subsequent planning cycle according to the criteria below. Upon reevaluation, the Regional Plan and any projects selected for purposes of cost allocation in connection therewith may be subject to modification, including the status as a project selected for cost allocation, with any costs reallocated under Section VII as if it were a new project. Only the PMC has the authority to modify the status of a transmission project selected for cost allocation. Conditions that trigger reevaluation are:

1. The underlying project characteristics and/or regional or interregional needs change in the Regional Plan. Examples include, but are not limited to: (a) a project's failure to secure a developer, or a developer's failure to maintain the qualifications necessary to utilize regional cost allocation, or (b) a change (increase or decrease) in the identified beneficiaries of a project (which changes may occur through company acquisitions, dissolutions, or otherwise), (c) a change in the status of a large load that contributes to the need for a project, or (d) projects affected by a change in law or regulation;

2. Projects that are delayed and fail to meet their submitted in-service date by more than two (2) years. This includes projects delayed by funding, regulatory approval, contractual administration, legal proceedings (including arbitration), construction delays, or other delays;

3. Projects with significant project changes, including, but not limited to kilovolt (kV), megavolt ampere (MVA), or path rating, number of circuits, number of transmission elements, or interconnection locations; and

4. Projects with a change in the calculation of benefits or benefit/cost (B/C) ratio that may affect whether the project selected for inclusion in the Regional Plan for purposes of cost allocation is a more efficient or cost-effective regional solution.

    a. Example 1: Where an increase in the selected project's costs, including but not limited to, material, labor, environmental mitigation, land acquisition, operations and maintenance, and mitigation for identified transmission system and region, causes the total project costs to increase above the level upon which the project was initially selected for inclusion in the Regional Plan for purposes of cost allocation, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient or cost-effective solution under current cost information.

    b. Example 2: A selected project's benefits may include identification of a reliability benefit in the form of remedying a violation of a Reliability Standard. If the identified beneficiary implements improvements, such as a Remedial Action

Scheme, to achieve reliability in compliance with the Reliability Standard at issue, inclusion of the regional project in the regional plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient or cost-effective solution under current benefit information.

c. Example 3: Where a project's estimated benefits include benefits in the form of avoided costs (e.g., a regional project's ability to avoid a local project), and the project is not avoided, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient or cost-effective solution under current facts and circumstances.

Projects selected for purposes of cost allocation will continue to be reevaluated until all the following conditions have been met:

- State and federal approval processes completed and approved (including cost recovery approval under Section 205 of the Federal Power Act as applicable);
- All local, state, and federal siting permits have been approved; and
- Major construction contracts have been issued.

When the Regional Plan is reevaluated as a result of any of the conditions triggering reevaluation addressed above, the PMC determines if an evaluation of alternative transmission solutions is needed in order to meet an identified regional need. In doing so, the PMC uses the same processes and procedures it used in the identification of the original transmission solution to the regional need. If an alternative transmission solution is needed, the incumbent Transmission Owner may propose one or more solutions that it would implement within its retail distribution service territory or footprint, and if such proposed solution is a transmission facility, the Transmission Owner may submit the project for possible selection in the Regional Plan for purposes of cost allocation.

Projects not subject to reevaluation include, but are not limited to, the following:

- Local or single system transmission projects that have been identified in individual Transmission Owner's Transmission Planning (TPL) Reliability Standards compliance assessments to mitigate reliability issues and that have not been proposed for (and selected by the PMC for) regional cost allocation; and
- Planned transmission system upgrades to existing facilities that have not been proposed for (and selected by the PMC for) regional cost allocation.

  Projects meeting any of the following criteria as of Effective Date will also not be subject to reevaluation under the Regional Planning Process:

- Projects of Transmission Owners who have signed the Planning Participation Agreement and that have received approval through local or state regulatory authorities or board approval;
- Local or single system transmission projects that have been planned and submitted for inclusion in the Regional Plan or exist in the 10-year corporate capital project budgets; and
- Projects that are undergoing review through the WECC Project Coordination and Rating Review Process as of Effective Date.

L. Confidential or Proprietary Information

Although the Regional Planning Process is open to all stakeholders, Stakeholders are required to comply at all times with certain applicable confidentiality measures necessary to protect confidential information, proprietary information or CEII. From time to time the regional transmission planning studies and/or open stakeholder meetings may include access to base case data that are WECC proprietary data, information classified as CEII, or other similar confidential or proprietary information. In such cases, access to such confidential or proprietary information shall be limited to only those stakeholders that (i) hold membership in or execute a non-disclosure agreement (NDA) with WECC (See www.wecc.biz) or (ii) execute a non-disclosure agreement with the applicable WestConnect Planning Region members, as may be applicable.

Any entity wishing to access confidential information, subject to applicable Standards of Conduct requirements, discussed in the Regional Planning Process must execute an NDA, and submit it to mailto:NDA@westconnect.com. A link to the NDA has been provided http://clkrep.lacity.org/onlinedocs/2016/16-0098_misc_5_01-25-2016.pdf.

IV. Coordination at the Western Interconnection Level

LADWP will coordinate its transmission plan on a west-wide regional basis through SWAT and WestConnect. WestConnect will coordinate its regional transmission plan with the other regional plans in the Western Interconnection and at the WECC level.

A. Procedures for Inter-Regional Planning Project Review

1. WECC Coordination of Reliability Planning

    a. WECC develops the Western Interconnection-wide base cases for transmission planning analysis such as power flow, stability and dynamic voltage stability studies. The WECC-approved base cases are used for study purposes by

transmission planners, subregional transmission planning groups, and other entities that have signed non-disclosure agreements with WECC.

b. WECC also maintains a data base for reporting the status of all planned projects throughout the Western Interconnection.
c. WECC provides for coordination of planned projects through its Procedures for Regional Planning project review.
d. WECC's path rating process ensures that a new project will have no adverse effect on existing projects or facilities.

2. WECC Open Stakeholder Meetings

Western Interconnection-wide economic planning studies are conducted by the WECC in an open stakeholder process that holds region-wide stakeholder meetings on a regular basis. The WECC Transmission Planning Protocol, including the WECC procedures for prioritizing and completing regional economic studies, is posted on the WECC website. LADWP participates in the region-wide transmission planning process, as appropriate, to ensure that data and assumptions are coordinated.

3. Role of WECC

WECC provides two primary functions in relation to the LADWP transmission planning process.

a. Development and maintenance of the west-wide economic planning study database.

    i. WECC uses publicly available data to compile a database that can be used by a number of economic congestion study tools.
    ii. WECC's database is publicly available for use in running economic congestion studies. For an interested transmission customer or stakeholder to utilize WECC's Pro-Mod planning model, it must comply with WECC confidentiality requirements.

b. Performance of economic planning studies. WECC has an annual study cycle, described in the WECC Transmission Planning Protocol, during which it will update databases, develop and approve a study plan that includes studying Requesters' high priority economic study requests as determined by the open WECC stakeholder process, perform the approved studies and document the results in a report.
c. Identification of Congested Paths for WestConnect Economic Review. Through TEPPC's economic study process, congested paths may be reviewed

and identified as being candidates for economic transmission studies. Upon WECC Board approval of a designation for such a path, the WestConnect Regional Planning Process will review the path for potential economic transmission solutions.

V. Recovery of Planning Costs

LADWP's costs associated with the Transmission Provider's implementation of this Attachment K, including its share of costs associated with WestConnect, shall be recovered through LADWP's transmission rates. The costs for any regional economic planning study shall be paid for by the Requester of the study. Any costs incurred by any stakeholder for participation in the planning processes set forth in this Attachment K shall be borne by the stakeholder.

VI. Dispute Resolution

Any dispute between a stakeholder and LADWP ("Disputant or Disputants") involving Attachment K shall be conducted in accordance with the Dispute Resolution Process in Section 12 of LADWP's Open Access Transmission Tariff ("OATT").

Disputes Between PMC Members

For disputes between members of the PMC, the following dispute resolution procedures apply:

1. Initiating Dispute Resolution

The disputing PMC member(s) initiates its dispute by providing written notification to the PMC (or a designated sub-committee of the PMC) in accordance with the provisions of the Planning Participation Agreement, in which event the PMC will seek to resolve the dispute through discussion, negotiation and the development of a recommended course of action. The PMC may act to adopt a resolution recommended by its own committee members or sub-committees, or alternatively the disputing parties may act to refer the dispute to arbitration for resolution.

2. Arbitration

A dispute may be referred to arbitration under the governing provisions of the Planning Participation Agreement.

VII. Cost Allocation

A. Allocation of Costs for Local Projects

LADWP will utilize a case-by-case approach to allocate costs for new transmission projects. This approach will be based on the following principles:

1. Solicitation of Interest

LADWP may elect to conduct a solicitation of interest for certain projects. Upon a determination by LADWP to hold solicitation of interest for a transmission project, LADWP will:

a. Announce and solicit interest in the project through informational meetings, its website and/or other meant of dissemination as appropriate.
b. Hold meetings with interested parties and meetings with public utility staffs from potential affected areas.
c. Post information via WECC's planning project review reports.
d. Develop the initial transmission project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments form participants for final cost shares; and secure execution of construction and operating agreements.

2. Allocation of Costs

a. Proportional Allocation
For any project entered into pursuant to a solicitation process; project costs and associated transmission rights will generally be allocated proportionally to project participants subject to a negotiated participation agreement. In the event the process results in a single participant, the full cost and transmission rights will be allocated to that participant.
b. Economic Benefits or Congestion Relief
For any project not wholly within LADWP's local system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester.
c. LADWP's Rate Recovery
Notwithstanding the foregoing provisions, LADWP will not assume cost responsibility for any project if the cost of the project is not approved for recovery in its retail and/or wholesale rates.

4. Exclusions

The cost for projects undertaken in connection with requests for generator interconnection or transmission service in LADWP's systems are governed by the OATT and will not be subject to the provisions of this Attachment K

B. Allocation of Costs for Regional Transmission Planning Projects

For any project determined by the PMC to be eligible for regional cost allocation, project costs will be allocated proportionally to those entities determined by the PMC, as shown in the Regional Plan, to be beneficiaries in the WestConnect Planning Region, as identified in this Attachment K, subject to the processes set forth in Sections II through IV.

The PMC, with input from the CAS, determines whether a project is eligible for regional cost allocation, and assesses the project's costs against its benefits in accordance with the following factors:

- Benefits and beneficiaries will be identified before cost allocation methods are applied.
- Cost assignments shall be commensurate with estimated benefits.
- Those that receive no benefits must not be involuntarily assigned costs.
- A benefit-to-cost ("B/C") threshold of not more than 1.25 shall be used, as applicable, so that projects with significant benefits are not excluded.
- Costs must be allocated solely within the WestConnect Planning Region, unless other regions or entities voluntarily assume costs.
- Costs for upgrades on neighboring transmission systems or other planning regions that are (i) required to be mitigated by the WECC Path Rating process, FERC tariff requirements, or NERC Reliability Standards, or (ii) negotiated among interconnected parties will be included in the total project costs and used in the calculation of B/C ratios.
- Cost allocation method and data shall be transparent and with adequate documentation.
- Different cost allocation methods may be used for different types of projects.

Specifically, the PMC will consider the following projects eligible for cost allocation consideration as further described below based on specified criteria:

- Reliability projects;
- Economic or congestion relief projects; or
- Public policy projects.

Only projects that fall within one or more of these three categories and satisfy the cost-to-benefit analyses and other requirements, as specified herein, are eligible for cost allocation

in the WestConnect Planning Region. LADWP encourages all interested stakeholders to consult the Business Practice Manual for additional details regarding the assessment for eligibility for regional cost allocation. Summary provisions are provided below.[3]

1. Allocation of Costs for Reliability Projects

In order to allocate costs to Transmission Owners for system reliability improvements that are necessary for their systems to meet the NERC TPL standards, the WestConnect cost allocation procedure shall allocate costs for system reliability improvements only when a system improvement is required to comply with the NERC TPL Reliability Standards during the planning horizon.

All components of a Transmission Owner's local transmission plan shall be included in the Regional Plan and shall be considered Local Transmission Projects that are not eligible for regional cost allocation. A system performance analysis shall be performed on the collective plans to ensure the combined plans adhere to all relevant NERC TPL Reliability Standards and stakeholders shall be afforded an opportunity to propose projects that are more efficient or cost-effective than components of multiple Transmission Owner local plans as outlined in Section II.F, above.

Should a reliability issue be identified in the review of the included local transmission plan, the project necessary to address that reliability issue shall be included in the Regional Plan and the cost shall be shared by the utilities whose load contributed to the need for the project.

Should multiple utilities have separate reliability issues that are addressed more efficiently or cost-effectively by a single regional project, that regional project shall be approved for selection in the Regional Plan and the cost shall be shared by those Transmission Owners in proportion to the cost of alternatives that could be pursued by the individual Transmission Owners to resolve the reliability issue. The ultimate responsibility for maintaining system reliability and compliance with NERC Transmission Planning Standards rests with each Transmission Owner.

The costs for regional reliability projects shall be allocated according to the following equation:

(1 divided by 2) times 3 equals 4

Where:

[3] References to "Transmission Owners" in the cost allocation provisions are to transmission owners for which the WestConnect Planning Management Committee is performing the function of regional transmission planning. At present, those Transmission Owners are TOLSO members.

1 is the cost of local reliability upgrades necessary to avoid construction of the regional reliability project in the relevant Transmission Owner's retail distribution service territory or footprint

2 is the total cost of local reliability upgrades in the combination of Transmission Owners' retail distribution service territories or footprints necessary to avoid construction of the regional reliability project

3 is the total cost of the regional reliability project

4 is the total cost allocated to the relevant Transmission Owner's retail distribution service territory or footprint

The manner in which the PMC applied this methodology to allocate the costs of each regional reliability project shall be described in the Regional Plan.

2. Allocation of Costs for Economic Projects

Cost allocation for economic projects associated with congestion relief that provide for more economic operation of the system will be based on the calculation of economic benefits that each Transmission Owner system will receive. Cost allocation for economic projects shall include scenario analyses to ensure that benefits will actually be received by beneficiaries with relative certainty. Projects for which benefits and beneficiaries are highly uncertain and vary beyond reasonable parameters based on assumptions about future conditions will not be selected for cost allocation.

In order for a project to be considered economically-justified and receive cost allocation associated with economic projects, the project must have a B/C ratio that is greater than 1.0 under each reasonable scenario evaluated and have an average ratio of at least 1.25 under all reasonable scenarios evaluated. Costs will be allocated on the basis of the average of all scenarios evaluated. The B/C ratio shall be calculated by the PMC. This B/C ratio shall be determined by calculating the aggregate load-weighted benefit-to-cost ratio for each transmission system in the WestConnect Planning Region. The benefits methodology laid out below ensures that the entities that benefit the most from the completion of an economic project are allocated costs commensurate with those project benefits.

The cost of any project that has an aggregate 1.25 B/C ratio or greater will be divided among the Transmission Owners that show a benefit based on the amount of benefits calculated to each respective Transmission Owner. For example, if a $100 million-dollar project is shown to have $150 million in economic benefit, the entities for which the economic benefit is incurred will be determined. The cost of the project will then be allocated to those entities, based on the extent of each entity's economic benefits relative to the total project benefits. This will ensure that each entity that is allocated cost has a B/C ratio equal to the total project B/C ratio. For example:

- Project with $150 million in economic benefit and $100 million in cost
    - Company 1 has $90 million in benefits; Company 2 has $60 million in benefits
    - Company 1 allocation: 90/150 (100) = $60 million
    - Company 1 B/C ratio: 90/60 = 1.5
    - Company 2 allocation: 60/150 (100) = $40 million
    - Company 2 B/C ratio: 60/40 = 1.5

Other than through the reevaluation process described in Section III.J of this Attachment K, the benefits and costs used in the evaluation shall only be calculated during the planning period and shall be compared on a net present value basis.

The WestConnect economic planning process shall consider production cost savings and reduction in reserve sharing requirements as economic benefits capable of contributing to the determination that a project is economically justified for cost allocation. Production cost savings are determined by the PMC performing a product cost simulation to model the impact of the transmission project on production costs and congestion. Production cost savings will be calculated as the reduction in production costs between a production cost simulation with the project included compared to a simulation without the project. Reductions in reserve sharing requirements are determined by the PMC identifying a transmission project's impact on the reserve requirements of individual transmission systems, and not on the basis of the project's collective impact on a reserve sharing group, as a whole. The production cost models appropriately consider the hurdle rates between transmission systems. The following production cost principles may be applied:

- The production cost savings from a project must be present in each year from the project in-service date and extending out at least ten (10) years.
- Cost savings must be expressed in present-value dollars and should consider the impact of various fuel cost forecasts.
- The production cost study must account for contracts and agreements related to the use of the transmission system (this refers to paths in systems that might be contractually limited but not reliability limited).
- The production cost study must account for contracts and agreements related to the access and use of generation (this refers to generators that might only use spot purchases for fuel rather than firm purchases, or generation that has been designated as network resources for some entities and thus cannot be accessed at will by non-owners).

Access by stakeholders to the PMC's application of its regional cost allocation method for a specific economic transmission project is available in several ways: First, stakeholders that are members of the PMC will have firsthand knowledge of the way in which the regional method was applied to a particular project because the PMC is responsible for performing

the application of the regional cost allocation method. Second, stakeholders that choose not to become members of the PMC may access such information through the WestConnect regional stakeholder process. See Section III.B of this Attachment K. Third, the manner in which the PMC applied this methodology to allocate the costs of each economic project shall be described in the Regional Plan.

In determining which entities shall be allocated costs for economic projects, WestConnect shall compare the economic value of benefits received by an entity with the cost of the project to ensure that each entity allocated cost receives a benefit/cost ratio equal to the aggregate load-weighted benefit-to-cost ratio. These costs allocated to each company shall be calculated based on the following equation:

(1 divided by 2) times 3 equals 4

Where:

1 is the total projected present value of economic benefits for the relevant Transmission Owner

2 is the total projected present value of economic benefits for the entire project

3 is the total cost of the economic project

4 is the total cost allocated to the relevant Transmission Owner

Any Transmission Owner with benefits less than or equal to one percent of total project benefits shall be excluded from cost allocation. Where a project satisfies the B/C ratio, and is determined to provide benefits less than or equal to one percent of total project benefits to an identified Transmission Owner, such benefits will be re-allocated to all other identified beneficiaries on a pro rata basis, in relation to each entity's share of total project benefits.

3. Allocation of Costs for Public Policy Projects

Any transmission system additions that arise from Public Policy Requirements shall be included in the system models used for the WestConnect transmission system studies. Further, any additional system needs that arise from proposed public policy shall be reported by each entity for its own service territory. Decisions on the inclusion of those needs shall be made during the consideration and approval of the system models. Transmission needs driven by Public Policy Requirements will be included in the evaluation of reliability and economic projects.

Except for projects proposed through a Transmission Owner's local planning process, arising out of a local need for transmission infrastructure to satisfy Public Policy Requirements that are not submitted as projects proposed for cost allocation (which are

addressed in Section II of this Attachment K), any projects arising out of a regional need for transmission infrastructure to satisfy the Public Policy Requirements shall be considered public policy projects eligible for evaluation in the Regional Planning Process.

Stakeholders may participate in identifying regional transmission needs driven by Public Policy Requirements. After seeking the input of stakeholders pursuant to the stakeholder participation provisions of Section III, the PMC determines whether to move forward with the identification of a regional solution to a particular regional need driven by Public Policy Requirements. Stakeholders may participate in identifying a regional solution to a regional need driven by Public Policy Requirements pursuant to the stakeholoder participation provisions of Section III, or through membership on the PMC itself. After seeking the input of stakeholders, the PMC determines whether to select a particular regional solution in the regional transmission plan for purposes of cost allocation. The identification of beneficiaries of these projects shall be the entities that shall access the resources enabled by the project in order to meet their Public Policy Requirements.

If an entity accesses resources that were enabled by a prior public policy project, that entity shall need to either share in its relative share of the costs of that public policy project or acquire sufficient transmission service rights to move the resources to its load with the determination left up to the entity or entities that were originally allocated the cost for the public policy project. The costs for public policy projects shall be allocated according to the following equation:

(1 divided by 2) times 3 equals 4

Where:

1 is the number of megawatts of public policy resources enabled by the public policy project for the entity in question

2 is the total number of megawatts of public policy resources enabled by the public policy project

3 is the total project cost

4 is the cost for the public policy project allocated to the entity in question

The process to interconnect individual generation resources would be provided for under the generator interconnection section each utility's OATT and not under this process.

Requests for transmission service that originate in a member's system and terminate at the border shall be handled through that member's OATT. Regional transmission needs necessary to meet Public Policy Requirements shall be addressed through the Public Policy Requirements section of the Regional Planning Process.

The manner in which WestConnect applied this methodology to each public policy project shall be described in the Regional Transmission Plan.

4. Combination of Benefits

In developing a more efficient or cost-effective plan, it is possible for the plan to jointly consider multiple types of benefits when approving projects for inclusion in the Regional Plan. The determination to consider multiple types of benefits for a particular project shall be made through the WestConnect stakeholder process, in which interested stakeholders are given an opportunity to provide input as set forth in Section III of this Attachment K. In determining whether a project would provide multiple benefits, the PMC categorizes the benefits as (a) necessary to meet NERC Transmission Planning Reliability Standards (reliability); (b) achieving production cost savings or a reduction in reserve sharing requirements (economic); or (c) necessary to meet transmission needs driven by Public Policy Requirements, as applicable, using the methods set forth in this Attachment K. The PMC will identify all three categories of benefits in its regional cost allocation process. If a project cannot pass the cost allocation threshold for any one of the three benefit categories, alone (reliability, economic or public policy), the sum of benefits from each benefit category may be considered.

- With respect to a reliability-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater, by a margin of 1.25 to 1, than the result of the equation identified in Section VII.C.1 above (where the result is shown as item 4 in the formula).

- With respect to an economic-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater than the project's cost to each beneficiary under each reasonable scenario evaluated, and must yield an average ratio of at least 1.25 to 1 under all reasonable scenarios evaluated, as described in Section VII.C.2 above.

- With respect to a Public Policy Requirements-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater, by a margin of 1.25 to 1, than the result of the equation identified in Section VII.C.3 above (where the result is shown as item 4 in the formula).

If a single regional transmission project is determined to provide benefits in more than one category, but does not meet the cost-benefit threshold for any single category, the PMC may consider the sum of benefits from each benefit category to determine if the regional transmission project provides, in total, benefits per beneficiary that meet or exceed the region's 1.25 to 1 benefit to cost ratio. To illustrate, consider the following example where a regional project developed to provide public policy requirement benefits might also provide for economic benefits to the same beneficiaries:

A regional project submittal has undergone analysis for its quantifiable benefits and costs and is determined to cost $100 million and produce benefits to identified beneficiaries in two categories: economic benefits of $101 million (on average, under all economic scenarios quantified), and public policy requirement benefits of $70 million. The project is found to fail the cost-benefit threshold for each category, individually, but when the total benefits are combined and the project's total regional benefits per beneficiary are weighed against the project's total costs per beneficiary, the project can be found to meet or surpass the region's 1.25 to 1 benefit to cost ratio per beneficiary:

- The benefits to Beneficiary A of pursuing the regional solution (60% of the regional project's total $171 million in benefits) = $102.6 million. When $102.6 million in project benefits is compared against $60 million in project costs (60% of project costs), it yields a B/C ratio of 1.71 to 1 for Beneficiary A.

- The benefits to Beneficiary B of pursuing the regional solution (40% of the regional project's total $171 million in benefits) = $68.4 million. When $68.4 million in project benefits is compared against $40 million in project costs (40% of project costs), it yields a B/C ratio of 1.71 to 1 for Beneficiary B.

Even though the regional project does not pass the cost allocation threshold in any individual benefit category, the PMC may consider the sum of the project's benefits in all categories.

For those regional projects that satisfy the region's cost allocation threshold, the PMC then will continue its evaluation process by considering whether the regional project meets the region's identified reliability, economic and Public Policy Requirements-driven needs more efficiently or cost-effectively than solutions identified by individual transmission providers in their local transmission planning processes.

The costs for projects that rely upon multiple types of benefits to secure inclusion in the Regional Plan for purposes of cost allocation shall be shared according to the amount of cost that is justified by each type of benefit.

5. Allocation of Ownership and Capacity Rights

An Eligible Transmission Developer that is subject to the Commission's jurisdiction under Section 205 of the Federal Power Act may not recover project costs from identified beneficiaries in the WestConnect Planning Region without securing approval for project cost recovery from FERC through a separate proceeding brought by the Eligible Transmission Developer under Section 205 of the Federal Power Act. In no event will

identified beneficiaries in the WestConnect Planning Region from whom project costs are sought to be recovered under Section 205 be denied either transmission transfer capability or ownership rights proportionate to their allocated costs, as determined by FERC in such proceeding. An Eligible Transmission Developer that is not subject to the Commission's jurisdiction under Section 205 of the Federal Power Act would have to seek cost recovery from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from FERC for project cost recovery pursuant to any other applicable section of the Federal Power Act.

If a project beneficiary receives transmission transfer capability on the project in exchange for transmission service payments, such project beneficiary may resell the transfer capability. Alternatively, a project beneficiary could seek to make a direct capital contribution to the project construction cost (in lieu of making transmission service payments) in which case the project beneficiary would instead receive an ownership percentage in proportion to their capital contribution ("Ownership Proposal"). This Ownership Proposal does not create a right of first refusal for transmission beneficiaries.

An ownership alternative will only be pursued if the Eligible Transmission Developer agrees. The Eligible Transmission Developer and the beneficiaries will enter into contract negotiations to address the many details regarding the capital funding mechanics and timing, as well as other details, such as defining (as between the Eligible Transmission Developer, whether a non-incumbent or incumbent transmission developer, and those receiving ownership interests) responsibility for operations and maintenance, administrative tasks, compliance with governing laws and regulations, etc. These negotiations will take place at arm's length, without any one party having undue leverage over the other.

A transmission project beneficiary should not be expected to pay for its benefits from the project twice: once through a capital contribution, and again through transmission service payments. The Ownership Proposal permits an ownership share in a project that is in the same proportion to a beneficiary's allocable costs, which costs will have been allocated roughly commensurate with the benefits to be gained from the project. This will allow the beneficiary to earn a return on its investment. In addition, it allows those beneficiaries that may not necessarily benefit from additional transfer capability on a new transmission project, whether due to lack of contiguity to the new facilities or otherwise, to realize the benefits through an ownership option.

Any transmission project participant that is identified as a beneficiary of the project might be permitted by the Eligible Transmission Developer to contribute capital (in lieu of transmission service payments) and receive a proportionate share of ownership rights in the transmission project. The Ownership Proposal affords an identified beneficiary who contributes toward the project costs the opportunity to obtain an ownership interest in lieu

of an allocated share of the project costs through transmission service payments for transfer capability on the project; it does not, however, confer a right to invest capital in a project. The Ownership Proposal merely identifies that, to the extent it is agreed among the parties that capital may be contributed toward a transmission project's construction, a proportionate share of ownership rights will follow.

Nothing in this Attachment K with respect to Order No. 1000 cost allocation imposes any new service on beneficiaries. Similarly, nothing in this Attachment K with respect to Order No. 1000 cost allocation imposes on an Eligible Transmission Developer an obligation to become a provider of transmission services to identified beneficiaries simply as a result of a project's having been selected in the Regional Plan for purposes of cost allocation; provided, however, if that Eligible Transmission Developer seeks authorization to provide transmission services to beneficiaries or others, and to charge rates or otherwise recover costs from beneficiaries or others associated with any transmission services it were to propose, it must do so by contract and/or under separate proceedings under the Federal Power Act. The purpose of this Section VII.C.5 is to (a) provide an option to a project developer to negotiate ownership rights in the project with identified beneficiaries, if both the developer and the identified beneficiaries mutually desire to do so, (b) specify that, although Order No. 1000 cost allocation does not impose any new service on beneficiaries, identified beneficiaries have the opportunity to discuss with the project developer the potential for entering into transmission service agreements for transmission capacity rights in the project, and (c) ensure that Order No. 1000 cost allocation does not mean that a project developer may recover project costs from identified beneficiaries without providing transmission transfer capability or ownership rights, and without securing approval for project cost recovery by contract and/or under a separate proceeding under the Federal Power Act.

If an Eligible Transmission Developer is not subject to FERC's jurisdiction under section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from FERC for project cost recovery pursuant to any other applicable section of the Federal Power Act.

6. Project Development Schedule

The WestConnect PMC will not be responsible for managing the development of any project selected for inclusion in the Regional Plan. However, after having selected a project in the Regional Plan, the PMC will monitor the status of the project's development. If a transmission facility is selected for inclusion in the Regional Plan for purposes of cost allocation, the transmission developer of that transmission facility must submit a development schedule that indicates the required steps, such as the granting of state approvals, necessary to develop and construct the transmission facility such that it meets

the regional transmission needs of the WestConnect Planning Region. As part of the ongoing monitoring of the status of the transmission project once it is selected, the Transmission Owners and Providers in the WestConnect Planning Region shall establish the dates by which the required steps to construct must be achieved that are tied to when construction must begin to timely meet the need that the project is selected to address. If such required steps have not been achieved by those dates, then the Transmission Owners and Providers in the WestConnect Planning Region may remove the transmission project from the selected category and proceed with reevaluating the Regional Plan to seek an alternative solution.

7. Economic Benefits or Congestion Relief

For a transmission project wholly within the Transmission Provider's local transmission system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester. A "Requester" is defined as any LADWP transmission customer or other stakeholder, including sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources.

8. LADWP Rate Recovery

Notwithstanding the foregoing provisions, LADWP will not assume cost responsibility for any project if the cost of the project is not approved for recovery in its retail and/or wholesale transmission rates.

9. Selection of a Transmission Developer for Sponsored and Unsponsored Projects

For any project (sponsored or unsponsored) determined by the PMC to be eligible for regional cost allocation and selected in the Regional Plan for purposes of cost allocation, the PMC shall select a transmission project developer according to the processes set forth in this section, provided that selection according to those processes does not violate applicable law where the transmission facility is to be built that otherwise prescribes the entity that shall develop and build the project. Any entity that, pursuant to applicable law for the location where the facilities are to be built, shall or chooses to develop and build the project must submit a project development schedule as required by Section VII.B.6 of this Attachment K, within the timeframe directed by the Business Practice Manual, not to exceed the time period for request for proposal responses.

For any project determined by the PMC to be eligible for regional cost allocation and selected in the Regional Plan for purposes of cost allocation, either sponsored by a transmission developer or unsponsored, that is not subject to the foregoing paragraph, the PMC shall upon posting the selected projects, issue a request for information to all Eligible Transmission Developers under Section III.D.3 of this Attachment K soliciting their interest in developing the project(s).

Each transmission developer shall respond to the request for information indicating its interest in developing the project. The PMC shall post on the WestConnect website the list of all transmission developers who responded with an expression of interest in developing the project(s). The PMC shall provide to each developer indicating interest in developing a project a request for proposals for the identified project(s) with a specified date of return for all proposals. Each transmission developer, or partnership or joint ventures of transmission developers, shall submit information demonstrating its ability to finance, own and construct the project consistent with the guidelines for doing so set forth in the WestConnect Business Practices Manual. The PMC shall assess the submissions according to the following process and criteria:

The evaluation of the request for proposals will be at the direction of the PMC, and will involve representatives of the beneficiaries of the proposed project(s). The evaluation will include, but not be limited to, an assessment of the following evidence and criteria.

- General qualifications of the bidding entity;
- Evidence of financing/financial creditworthiness, including
  - financing plan (sources debt and equity), including construction financing and long-term financing
  - ability to finance restoration/forced outages
  - credit ratings
  - financial statements;
- Safety program and experience;
- Project description, including
  - detailed proposed project description and route
  - design parameters
  - design life of equipment and facilities
  - description of alternative project variations;
- Development of project, including
  - experience with and current capabilities and plan for obtaining state and local licenses, permits, and approvals
  - experience with and current capabilities and plan for obtaining any federal licenses and permits
  - experience with and expertise and plan for obtaining rights of way
  - development schedule
  - development budget;
- Construction, including
  - experience with and current capabilities and plan for project construction
  - third party contractors
  - procurement plan
  - project management (cost and schedule control)

  - construction schedule
  - construction budget (including all construction and period costs;
- Operations, including
  - experience with and current capabilities and plan for project operation
  - experience with and current capabilities and plan for NERC compliance
  - security program and plan
  - storm/outage response plan
  - reliability of facilities already in operation;
- Maintenance capabilities and plans for project maintenance (including staffing, equipment, crew training, and facilities);
- Project cost to beneficiaries, including
  - total project cost (development, construction, financing, and other non- O&M costs)
  - operation and maintenance costs, including evaluation of electrical losses
  - revenue requirement, including proposed cost of equity, FERC incentives, proposed cost of debt and total revenue requirement calculation
  - present value cost of project to beneficiaries.

The PMC shall notify the developers of its determination as to which developer(s) it selected to develop the project(s) responsive to the request for proposal. The selected developer(s) must submit a project development schedule as required by Section VII.C.6 of this Attachment K.

If the PMC determines that a sponsored or unsponsored project fails to secure a developer through the process outlined in this section, the PMC shall remove the project from the Regional Plan.

After the PMC makes a determination, it will post a document on the WestConnect website within 60 days explaining the PMC's determination in selecting a particular transmission developer for a specific transmission project. The information will explain (1) the reasons why a particular transmission developer was selected or not selected, and, if applicable, (2) the reasons why a transmission project failed to secure a transmission developer.

10. No Obligation to Construct

The WestConnect Regional Planning Process is intended to determine and recommend more efficient or cost-effective transmission solutions for the WestConnect Planning Region. After the Regional Plan is approved, due to the uncertainty in the planning process and the need to address cost recovery issues, the Regional Planning Process shall not obligate any entity to construct, nor obligate any entity to commit to construct, any facilities, including any transmission facilities, regardless of whether such facilities are included in any plan. Nothing in this Attachment K or the Planning Participation Agreement or any

cost allocation under the Business Practice Manual or the Planning Participation Agreement will (1) determine any transmission service to be received by, or any transmission usage by, any entity, (2) obligate any entity to purchase or pay for, or obligate any entity to commit to purchase or pay for, any transmission service or usage, or (3) entitle any entity to recover for any transmission service or usage or to recover from any entity any cost of any transmission facilities, regardless of whether such transmission facilities are included in any plan. Without limiting the generality of the foregoing, nothing in this Attachment K, the Business Practice Manual or the Planning Participation Agreement with respect to an Order No. 1000 cost allocation shall preclude WestConnect or any other entity from carrying out any of its statutory authorities or complying with any of its statutory obligations.

11. Binding Order No. 1000 Cost Allocation Methods

Order No. 1000 cost allocation methods as set forth in Section VIII of this Attachment K are binding on identified beneficiaries enrolled in the WestConnect Planning Region, without prejudice to the following rights and obligations: (1) the right of a CTO, at its sole discretion, to decide whether to accept regional cost allocation in accordance with Section III.J; (2) the right and obligation of the PMC to reevaluate a transmission facility previously selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation under Section III.K of this Attachment K; (3) the right and obligation of an Eligible Transmission Developer to make a filing under Section 205 or other applicable provision of the Federal Power Act in order to seek approval from the Commission to recover the costs of any transmission facility selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation; (4) the right and obligation of any interested person to intervene and be heard before the Commission in any Section 205 or other applicable provision proceeding initiated by an Eligible Transmission Developer, including the right of any identified beneficiaries of the transmission facility to support or protest the filing and to present evidence on whether the proposed cost recovery is or is not just and reasonable; and (5) the right and obligation of the Commission to act under Section 205 or other applicable provisions of the Federal Power Act to approve or deny any cost recovery sought by an Eligible Transmission Developer for a transmission facility selected in the regional plan for purposes of Order No. 1000 cost allocation.[4]

12. Impacts of a Regional Project on Neighboring Planning Regions

The PMC studies the impact(s) of a regional transmission project on neighboring planning regions, including the resulting need, if any, for mitigation measures in such neighboring

[4] An Eligible Transmission Developer may not be subject to the Commission's Section 205 jurisdiction. See Section VII.C.5. If an Eligible Transmission Developer is not subject to FERC's jurisdiction under Section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from the Commission for project cost recovery pursuant to any other applicable section of the Federal Power Act.

planning regions. If the PMC finds that a regional transmission project in the WestConnect Planning Region causes impacts on a neighboring planning region that requires mitigation (a) by the WECC Path Rating Process, (b) under FERC OATT requirements, (c) under NERC Reliability Standards requirements, and/or (d) under any negotiated arrangement between the interconnected entities, the PMC includes the costs of any such mitigation measures into the regional transmission project's total project costs for purposes of determining the project's eligibility for regional cost allocation under the procedures identified in Section VII.C of this Attachment K, including application of the region's benefits-to-costs analysis.

The WestConnect Planning Region will not be responsible for compensating a neighboring planning region, Transmission Provider, Transmission Owner, Balancing Area Authority, or any other entity, for the costs of any required mitigation measures, or other consequences, on their systems associated with a regional transmission project in the WestConnect Planning Region, whether identified by the PMC or the neighboring system(s). The PMC does not direct the construction of transmission facilities, does not operate transmission facilities or provide transmission services, and does not charge or collect revenues for the performance of any transmission or other services. Therefore, in agreeing to study the impacts of a regional transmission facility on neighboring planning regions, the PMC is not agreeing to bear the costs of any mitigation measures it identifies. However, the PMC will request of any developer of a regional transmission project selected in the Regional Plan for purposes of cost allocation that the developer design and build its project to mitigate the project's identified impacts on neighboring planning regions. If the project is identified as impacting a neighboring planning region that accords less favorable mitigation treatment to the WestConnect Planning Region than the WestConnect Planning Region accords to it, the PMC will request that the project developer reciprocate by using the lesser of (i) the neighboring region's mitigation treatment applicable to the mitigation of impacts of its own regional projects on the WestConnect Planning Region, or (ii) the PMC's mitigation treatment set forth above in sub-sections (a) through (d).

13. Exclusions

a. The cost for transmission projects undertaken in connection with requests for generation interconnection or transmission service on the LADWP transmission system, which are governed by existing cost allocation methods within LADWP's OATT, shall continue to be so governed and shall not be subject to the provisions of this Attachment K.

b. As provided in LADWP's OATT, and the Transmission Customer's individual service agreement (if applicable), the Transmission Customer or Requester shall be responsible for the installed cost of all new load serving interconnections or upgrades to existing load serving interconnections.

VIII. Interregional Planning

This Section VIII of Attachment K sets forth common provisions, which are to be adopted by or for each Planning Region and which facilitate the implementation of Order No. 1000 interregional provisions. WestConnect is to conduct the activities and processes set forth in this Section VIII of Attachment K in accordance with the provisions of this Section VIII of Attachment K and the other provisions of the Attachment K, as applicable. Nothing in this Section VIII will preclude any transmission owner or transmission provider from taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements. Any Interregional Cost Allocation regarding any ITP (as defined herein) is solely for the purpose of developing information to be used in the regional planning process of each Relevant Planning Region, including the regional cost allocation process and methodologies of each such Relevant Planning Region. References in this Section VIII to any transmission planning processes, including cost allocations, are references to transmission planning processes pursuant to Order No. 1000.

A. Definitions

The following capitalized terms where used in this Section VIII of Attachment K, are defined as follows:

Annual Interregional Coordination Meeting: shall have the meaning set forth in Section VIII.C below.

Annual Interregional Information: shall have the meaning set forth in Section VIII.B below.

Interregional Cost Allocation: means the assignment of ITP costs between or among Planning Regions as described in Section VIII.E.2 below.

Interregional Transmission Project ("ITP"): means a proposed new transmission project that would directly interconnect electrically to existing or planned transmission facilities in two or more Planning Regions and that is submitted into the regional transmission planning processes of all such Planning Regions in accordance with Section VIII.D.1.

Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language: means this Section VIII, which relates to Order No. 1000 interregional provisions.

Planning Region: means each of the following Order No. 1000 transmission planning regions insofar as they are within the Western Interconnection: California Independent System Operator Corporation, ColumbiaGrid, Northern Tier Transmission Group, and WestConnect.

Relevant Planning Regions: means, with respect to an ITP, the Planning Regions that would directly interconnect electrically with such ITP, unless and until such time as a Relevant Planning Region determines that such ITP will not meet any of its regional transmission needs in accordance with Section VIII.D.2, at which time it shall no longer be considered a Relevant Planning Region.

A. Annual Interregional Information Exchange

Annually, prior to the Annual Interregional Coordination Meeting, WestConnect is to make available by posting on its website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in WestConnect's transmission planning region and potential solutions thereto:

1. Study plan or underlying information that would typically be included in a study plan, such as:

   (a) identification of base cases;

   (b) planning study assumptions; and

   (c) study methodologies;

1. Initial study reports (or system assessments); and
2. Regional transmission plan

(collectively referred to as "Annual Interregional Information").

WestConnect is to post its Annual Interregional Information on its website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process WestConnect's Annual Interregional Information. WestConnect may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

WestConnect is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by WestConnect in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region, or (iii) any information if WestConnect reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission's Orders covering the standards of conduct for transmission providers. Annual Interregional Information made available or otherwise provided by WestConnect shall be subject to applicable confidentiality and CEII restrictions and other applicable

laws, under WestConnect's regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by WestConnect shall be "AS IS" and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of WestConnect, including any liability for (a) any errors or omissions in such Annual Interregional Information, or (b) any delay or failure to provide such Annual Interregional Information.

B. Annual Interregional Coordination Meeting

WestConnect is to participate in an Annual Interregional Coordination Meeting with the other Planning Regions. WestConnect is to host the Annual Interregional Coordination Meeting in turn with the other Planning Regions, and is to seek to convene such meeting in February, but not later than March 31st. The Annual Interregional Coordination Meeting is to be open to stakeholders. WestConnect is to provide notice of the meeting to its stakeholders in accordance with its regional transmission planning process.

At the Annual Interregional Coordination Meeting, topics discussed may include the following:

1. Each Planning Region's most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);

2. Identification and preliminary discussion of interregional solutions, including conceptual solutions, that may meet regional transmission needs in each of two or more Planning Regions more cost effectively or efficiently; and

3. Updates of the status of ITPs being evaluated or previously included in WestConnect's regional transmission plan.

C. ITP Joint Evaluation Process

1. Submission Requirements

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to Section VIII.D.2 by submitting the ITP into the regional transmission planning process of each Relevant Planning Region in accordance with such Relevant Planning Region's regional transmission planning process and no later than March 31st of any even-numbered calendar year. Such proponent of an ITP seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region must submit the ITP to each such Planning Region in accordance with such Planning Region's regional transmission planning process. In addition to satisfying each Relevant Planning Region's information requirements, the proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions to which the ITP is being submitted.

2. Joint Evaluation of an ITP

For each ITP that meets the requirements of Section VIII.D.1, WestConnect (if it is a Relevant Planning Region) is to participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the ITP's submittal in accordance with Section VIII.D.1 or the immediately following calendar year. With respect to any such ITP, WestConnect (if it is a Relevant Planning Region) is to confer with the other Relevant Planning Region(s) regarding the following:

(i) ITP data and projected ITP costs; and

(ii) The study assumptions and methodologies it is to use in evaluating the ITP pursuant to its regional transmission planning process.

For each ITP that meets the requirements of Section VIII.D.1, WestConnect (if it is a Relevant Planning Region):

(i) is to seek to resolve any differences it has with the other Relevant Planning Regions relating to the ITP or to information specific to other Relevant Planning Regions insofar as such differences may affect WestConnect's evaluation of the ITP;

(ii) is to provide stakeholders an opportunity to participate in WestConnect's activities under this Section VIII.D.2 in accordance with its regional transmission planning process;

(iii) is to notify the other Relevant Planning Regions if WestConnect determines that the ITP will not meet any of its regional transmission needs; thereafter

WestConnect has no obligation under this Section VIII.D.2 to participate in the joint evaluation of the ITP; and

(iv) is to determine under its regional transmission planning process if such ITP is a more cost effective or efficient solution to one or more of WestConnect's regional transmission needs.

D. Interregional Cost Allocation Process

1. Submission Requirements

For any ITP that has been properly submitted in each Relevant Planning Region's regional transmission planning process in accordance with Section VIII.D.1, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost allocation from WestConnect and each other Relevant Planning Region in accordance with its regional transmission planning process. The proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions in which Interregional Cost Allocation is being requested.

2. Interregional Cost Allocation Process

For each ITP that meets the requirements of Section VIII.E.1, WestConnect (if it is a Relevant Planning Region) is to confer with or notify, as appropriate, any other Relevant Planning Region(s) regarding the following:

(i) Assumptions and inputs to be used by each Relevant Planning Region for purposes of determining benefits in accordance with its regional cost allocation methodology, as applied to ITPs;

(ii) WestConnect's regional benefits stated in dollars resulting from the ITP, if any; and

(iii) Assignment of projected costs of the ITP (subject to potential reassignment of projected costs pursuant to Section VIII.F.2 below) to each Relevant Planning Region using the methodology described in this Section VIII.E.2.

For each ITP that meets the requirements of Section VIII.E.1, WestConnect (if it is a Relevant Planning Region):

(a) is to seek to resolve with the other Relevant Planning Regions any differences relating to ITP data or to information specific to other Relevant Planning Regions insofar as such differences may affect WestConnect's analysis;

(b) is to provide stakeholders an opportunity to participate in WestConnect's activities under this Section VIII.E.2 in accordance with its regional transmission planning process;

(c) is to determine its regional benefits, stated in dollars, resulting from an ITP; in making such determination of its regional benefits in WestConnect, WestConnect uses its regional cost allocation methodology, as applied to ITPs;

(d) is to calculate its assigned *pro rata* share of the projected costs of the ITP, stated in a specific dollar amount, equal to its share of the total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the ITP;

(e) is to share with the other Relevant Planning Regions information regarding what its regional cost allocation would be if it were to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation; WestConnect may use such information to identify its total share of the projected costs of the ITP to be assigned to WestConnect in order to determine whether the ITP is a more cost effective or efficient solution to a transmission need in WestConnect;

(f) is to determine whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation, based on its regional transmission planning process; and

(g) is to endeavor to perform its Interregional Cost Allocation activities pursuant to this Section VIII.E.2 in the same general time frame as its joint evaluation activities pursuant to Section VIII.D.2.

E. Application of Regional Cost Allocation Methodology to Selected ITP

1. Selection of all Relevant Planning Regions

If WestConnect (if it is a Relevant Planning Region) and all of the other Relevant Planning Regions select an ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Section VIII.E.2(d) or VIII.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

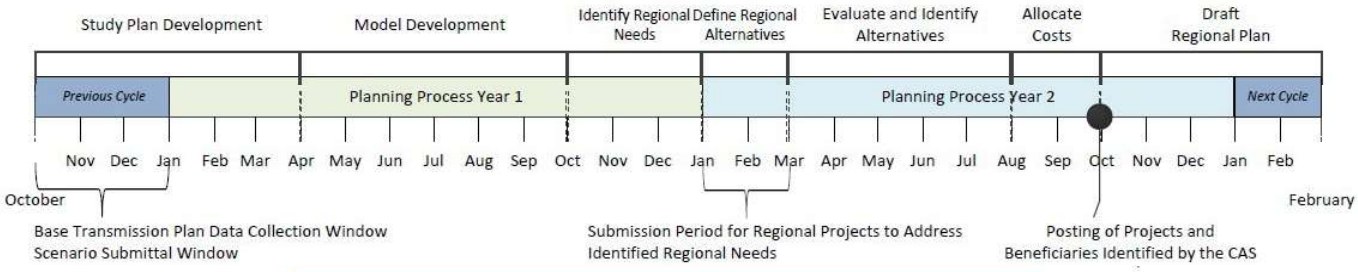
2. Selection by at Least Two but Fewer than All Relevant Planning Regions

If WestConnect (if it is a Relevant Planning Region) and at least one, but fewer than all, of the other Relevant Planning Regions select the ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation,

WestConnect is to evaluate (or reevaluate, as the case may be) pursuant to Sections VIII.E.2(d), VIII.E.2(e), and VIIIE.2(f) above whether, without the participation of the non-selecting Relevant Planning Region(s), the ITP is selected (or remains selected, as the case may be) in its regional transmission plan for purposes for Interregional Cost Allocation. Such reevaluation(s) are to be repeated as many times as necessary until the number of selecting Relevant Planning Regions does not change with such reevaluation.

If following such evaluation (or reevaluation), the number of selecting Relevant Planning Regions does not change and the ITP remains selected for purposes of Interregional Cost Allocation in the respective regional transmission plans of WestConnect and at least one other Relevant Planning Region, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections VIII.E.2(d) or VIII.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

Exhibit 1



Regional Planning Process Activity	Activity Timeframe
Stakeholder meetings	WestConnect will hold open stakeholder meetings on at least a semi-annual basis, or as needed and noticed by the PMC with 30 days advance notice, to update stakeholders about its progress in developing the Regional Plan and to solicit input regarding material matters of process related to the regional transmission plan.
Base transmission plan data collection window	The PS will initiate development of the base transmission plan no later than Quarter 8 of the previous biennial planning cycle and in conjunction with initiating the development of the Regional Study Plan. The submittal window for projects to be considered as part of the base transmission plan will be noticed a minimum of 15 days before the window opens, and the submittal window will stay open for a minimum of 30 days.
Scenario submittal window	A scenario submittal window will open when the development of the Regional Study Plan commences and no later than Quarter 8 of the previous biennial planning cycle. The scenario submittal window will be noticed a minimum of 15 days before the window opens, and the submittal window will stay open for a minimum of 30 days.
Identification of regional needs	Identified regional needs will be posted to the WestConnect website no later than close of Quarter 4 of the first year of the biennial cycle.
Submission Period for Regional Projects to Address Identified Regional Needs	For consideration in the current planning cycle, projects must be submitted following the posting of identified regional needs to the WestConnect website, and must occur before the end of Quarter 5 of the biennial planning cycle. Any project submitted after this date will be considered in the next subsequent planning cycle.

ATTACHMENT L

Creditworthiness Procedures

1. PURPOSE

For purposes of determining the ability of the Transmission Customer to meet its obligations pursuant to the Tariff, the Transmission Provider will apply the credit review procedures described herein.

Prior to the execution of a Service Agreement, the Transmission Provider will review the Transmission Customer's creditworthiness and thereafter as described herein by the Transmission Provider. This can be accomplished by contacting the Department's Credit Management Group at 213-367-4339. The Credit Management Group will inform the Transmission Group's Contract Manager when credit has been established. After the Transmission Service Agreement is signed, the Credit Management Group will establish the counterparty in its risk reporting system.

2. SECURED AND UNSECURED CREDIT CRITERIA

2.1 Unsecured Credit

A. Criteria Used to Determine Eligibility for Unsecured Credit

The Transmission Customer must meet one the following criteria to be eligible for unsecured credit:

1. Be a load serving entity, which means the Transmission Customer is a distribution utility or an electric utility that has a service obligation to its retail customers; or
2. Have or have a parent company with an investment-grade credit rating from at least one of the following national credit rating organizations: Standard & Poor's (S&P), Moody's Investor Services (Moody's), or Fitch Ratings (Fitch); and have an Expected Default Frequency (EDF) equivalent of investment-grade when calculated using the Moody's EDF criteria or the S&P EDF criteria. If the Transmission Customer has more than one rating, the lowest rating must be investment grade.

B. Maximum Unsecured Credit Available to an Eligible Transmission Customer

The maximum unsecured credit for physical power, transmission, and physical gas that may be extended to a Customer that is eligible for unsecured credit is identified in the Table below:

Category	Maximum Unsecured Credit Limit[(1)]
Investment Grade	$5,000,000
Non-Rated Subsidiary with Parent Guaranty	$2,000,000
Non-Rated Internal Scored[(2)]	$1,000,000
Non-Investment Grade	$0

(1) Limits are not to exceed 1.00% of the counterparty's most recent stockholders' equity.

(2) Internal Scores are derived from assessments of the financial strength and corresponding ability to pay on a timely basis.

C. Criteria used to Establish the Unsecured Credit Available to an Eligible Transmission Customer

The Transmission Provider will determine the unsecured credit available to an eligible Transmission Customer on a case-by-case basis based on:

1. Quantitative factors including capital structure; liquidity and financial flexibility; and financial statements, including profitability and cash flow, in particular; and
2. Qualitative factors including the Transmission Customer's payment history; the anticipated nature, volume, tenor, and notional value of transactions with the Transmission Provider; management; relevant contractual obligations, including any netting provisions; governance policies; ownership structure; litigation and contingencies; and financial and accounting policies.

D. Unsecured Credit Administration

Once a credit limit has been reached no additional sales may be made until payment or additional credit assurance is received. If at any time a Transmission Customer fails to pay unsecured amounts owed to Transmission Provider, the credit limit is reduced to zero.

2.2 Secured Credit

A. Transmission Customers Required to Provide Security

Security is required from Transmission Customers that do not qualify for unsecured credit or that exceed unsecured credit limits.

B. Acceptable Forms of Security

Transmission Provider will accept any of the following forms of security from Transmission Customers required to provide security:

1. An irrevocable letter of credit in a form reasonably acceptable to Transmission Provider issued by a financial institution acceptable to the Transmission Provider and possesses a credit rating of at least A3 by Moody's, A- by S&P, or A- by Fitch;
2. A payment (parent) guarantee issued by an investment rated parent company or other in pre-approved payment (parent) guarantee language;
3. An escrow trust account;
4. A surety/performance bond; or
5. A prepayment of at least ten days prior to transmission service and no interest will be paid thereon.

C. Amount of Required Security

A Transmission Customer required to provide security shall provide security in an acceptable form in an amount equal to the lesser of the amount of the total contract notional value or the notional value of anticipated transmission services for a rolling 60-day period.

3. CREDIT EVALUATION AND REEVALUATION

The creditworthiness of a Transmission Customer will be reevaluated annually, and may be reevaluated more frequently if the Transmission Provider has reasonable grounds there has been deterioration in the Transmission Customer's creditworthiness. The Transmission Provider may adjust a Transmission Customer's credit limit and/or any required security based on the results of such reevaluation.

The Transmission Provider shall notify the Transmission Customer when credit requirements are not met and additional security is required. The Transmission

Customer shall provide Transmission Provider with additional security in an acceptable form within 3 business days of notification by Transmission Provider that its credit requirements are not met or additional security is required.

4. DELINQUENCIES AND ADVERSE EVENTS

When the Transmission Customer's account becomes past due, the Transmission Provider will stop conducting any new business with the Transmission Customer until the matter is resolved. Upon notification of a Transmission Customer's bankruptcy, no new business will be conducted with the Transmission Customer and its credit limit will be reduced to zero. Upon emergence from bankruptcy, the Transmission Customer must be firmly reestablished in the marketplace as evidenced by its return to an investment grade credit status by S&P, Moody's, or Fitch or by successfully participating in the market for at least one year, before the Transmission Customer can reapply for credit under the regular procedures outlined in this Attachment L.

5. CREDIT DISPUTES

A Transmission Customer may request a written explanation of how the Transmission Provider applied the credit evaluation and security requirements of this Attachment L to the Transmission Customer. The Transmission Customer may contest any determination of credit limit or required security by submitting a written explanation of its reasons for disagreeing with such credit limit or security to the Transmission Provider. Within thirty (30) business days of receiving Transmission Customer's written explanation, the Transmission Provider will review and provide a written response to the Transmission Customer.

6. CONTACT

Transmission Customers with credit questions are directed to contact:

Tiffany He
(213) 367-4205
Tiffany.he@ladwp.com

ATTACHMENT M

Large Generator Interconnection Procedures

LOS ANGELES DEPARTMENT OF WATER AND POWER

LARGE GENERATOR

INTERCONNECTION PROCEDURES (LGIP)

including

LARGE GENERATOR

INTERCONNECTION AGREEMENT (LGIA)

Standard Large Generator
Interconnection Procedures (LGIP)
(Applicable to Generating Facilities that exceed 20 MW)

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Appendix 2 – Informational Interconnection Study Request

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Appendix 6 – Form Large Generator Interconnection Agreement

Appendix 7 – Interconnection Procedure for a Non-Synchronous Generating Facility

Large Generator
Interconnection Procedures (LGIP)
(Applicable to Generating Facilities that exceed 20 MW)

Section 1. Definitions

In addition to other terms defined within this LGIP, the following terms, whether in the singular or plural, when used herein and in appendices attached hereto and initially capitalized, shall have the meanings specified below:

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

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

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

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

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

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

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

Applicable Reliability Standards shall mean the requirements and guidelines of NERC or its successor, as the Applicable Reliability Council, and the Balancing Authority Area of the Transmission System to which the Generating Facility is directly interconnected.

Balancing Authority shall mean the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.

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

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

Breaching Party shall mean a Party that is in Breach of the provisions of an LGIA.

Bureau of Land Management (BLM) shall mean the U.S. Department of the Interior, Bureau of Land Management, or its successor agency, which manages federal public lands.

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

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

Cluster shall mean a group of Interconnection Requests (one or more) that are studied together for the purpose of conducting the Cluster Study.

Cluster Area shall mean the areas of the Transmission Provider's Transmission System that are included together in a Cluster, as described further in Section 7.4 of this LGIP.

Cluster Request Window shall have the meaning set forth in Section 4.2.1 of this LGIP.

Cluster Re-Study shall mean a re-study of a Cluster Study conducted pursuant to Section 7.4 of this LGIP.

Cluster Re-Study Report shall mean the report issued followed completion of a Cluster Re-Study pursuant to Section 7.4 of this LGIP.

Cluster Re-Study Meeting shall mean the meeting held to discuss the results of a Cluster Re-Study pursuant to Section 7.4 of this LGIP.

Cluster Study shall mean an Interconnection Study evaluating one or more Interconnection Requests within a Cluster, as described in more detail in Section 7.4 of this LGIP.

Cluster Study Agreement shall mean the form of agreement contained in Appendix 3 to the Standard Large Interconnection Procedures for conducting the Cluster Study.

Cluster Study Report shall mean the report issued following completion of a Cluster Study pursuant to Section 7.4 of this LGIP.

Cluster Study Report Meeting shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7.4 of this LGIP.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, as described in more detail in Section 7.

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

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

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

Contingent Facilities shall mean 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 Re-Studies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Customer Engagement Window shall have the meaning set forth in Section 7.2 of this LGIP.

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

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

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

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

Effective Date shall mean the date on which the Large Generator Interconnection Agreement becomes effective upon execution by the Parties.

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

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

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

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

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

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

Financial Security shall mean any of the forms of collateral or security listed in Section 2.2 of the Creditworthiness Procedures included in Attachment L to this Tariff.

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

Generating Facility shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

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

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

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof. In this context Transmission Provider does not include the City of Los Angeles or the Board of Water and Power Commissioners. Transmission Provider only includes the Department of Water and Power.

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

Informational Interconnection Study shall mean an analysis based on assumptions specified by Interconnection Customer in the Informational Interconnection Study Agreement and conducted pursuant to Section 6 of this LGIP.

Informational Interconnection Study Agreement shall mean the form of agreement contained in Appendix 2A to the Standard Large Generator Interconnection Procedures for conducting the Informational Interconnection Study.

Informational Interconnection Study Request shall mean an Interconnection Customer's request in the form of Appendix 2 to the Standard Large Generator Interconnection Procedures.

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

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

Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System. For purposes of the Transmission Provider's Cluster Study process conducted pursuant to Section 7

of this LGIP, and except as modified by Section 3 of Attachment N of the Transmission Provider's Tariff, "Interconnection Customer" shall also mean any Small Generating Facility that is participating in a Cluster.

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

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades. Interconnection Facilities may be shared by more than one Generating Facility in a Cluster.

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

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

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System. For purposes of the Transmission Provider's Cluster Study process conducted pursuant to Section 7 of this LGIP, and except as modified by Section 1.3 of Attachment N of the Transmission Provider's Tariff, "Interconnection Request" shall also mean any interconnection request from a Small Generating Facility that is participating in a Cluster.

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

Interconnection Service Level or **Level of Interconnection Service** shall mean the maximum amount of electrical output (MW) requested by the Interconnection customer to be injected at the Point of Interconnection.

Interconnection Study shall mean any of the following studies: the Informational Interconnection Study, the Cluster Study, the Surplus Interconnection Service System Impact Study, and the Interconnection Facilities Study described in this LGIP.

IRS shall mean the Internal Revenue Service.

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

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

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

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

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

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

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

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

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

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall have the meaning ascribed in Section 13.5 of this LGIP.

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

Permissible Technological Advancement shall mean a change to the Generating Facilities of the Interconnection Customer's Interconnection Request that: (1) results in the inclusion of technologies that achieve cost and/or grid performance efficiencies; (2) results in electrical performance equal to or better than the electrical performance expected prior to the technology change; (3) would not trigger a Material Modification, as defined in this LGIP; and (4) would not cause any reliability concerns relative to short circuit capability limits, steady-state

thermal and voltage limits, or dynamic system stability and response. Permissible technological advancements may include advancements to turbines, inverters, plant supervisory controls, or other technological advancements that may enhance a generating facility's ability to provide ancillary services, but do not include changes in generation technology or fuel type (including the energy source behind an inverter).

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

Point of Delivery shall have the meaning ascribed in the Tariff.

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

Point of Receipt shall have the meaning ascribed in the Tariff.

Preliminary Plan of Development ("PPOD") shall mean the plan required to be submitted to the BLM, if any, to obtain necessary permits or Right-of-Way grants as may be required for the construction of the Generating Facility and Interconnection Customer Interconnection Facilities, which are to be sited, all or partially, on BLM-managed lands.

Provisional Interconnection Service shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time that Interconnection Customer satisfies all of the requirements of Sections 3, 4, and 7 to enter the Cluster Study Process.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under this LGIP or the LGIA, 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.

Readiness Milestone Options shall mean the options set forth in Section 3.4.1(v) of the LGIP.

Resource Plan shall mean any process authorized or required by Applicable Laws and Regulations for, inter alia, the selection of Generating Facilities.

Resource Solicitation Process shall mean any process authorized or required by Applicable Laws and Regulations for the acquisition of Network Resources.

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

Site Control shall mean 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 interest in a site of sufficient size to construct and operate the Generating Facility; or (3) any other documentation that clearly demonstrates the right of the Interconnection Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. For purposes of lands managed by a governmental entity (such as BLM), a PPOD or equivalent government-issued documentation, shall be sufficient for demonstrating Site Control as to such government-managed land. Site Control for any co-located project is demonstrated by a contract or other agreement demonstrating shared land use for all co-located projects that meet the aforementioned provisions of this Site Control definition.

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

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Large Generator Interconnection

Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the TransmissionProvider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service established in a 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.

Surplus Interconnection Service System Impact Study shall mean an engineering study that evaluates the impact of a proposed request for Surplus Interconnection Service on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in these Large Generator Interconnection Procedures.

Surplus Interconnection Service System Impact Study Agreement shall mean the form of agreement contained in Appendix 5 of these Large Generator Interconnection Procedures for conducting a system impact study for purposes of evaluating a request for Surplus Interconnection Service pursuant to Section 3.3 of this LGIP.

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

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

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

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

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades. Transmission Provider's Interconnection Facilities may be shared by more than one Generating Facility in a given Cluster Study.

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

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

Withdrawal Penalty shall have the meaning set forth in Section 3.7.1 of this LGIP.

Section 2. Scope and Application

2.1 Application of Large Generator Interconnection Procedures

Sections 2 through 13 apply to processing an Interconnection Request pertaining to a Large Generating Facility. As provided in Section 3 of Attachment N the Tariff, Small Generating Facilities that are not eligible for the fast track or inverter process will be processed in a single study process with Large Generating Facilities. Additionally, Small Generating Facilities requesting Network Resource Interconnection Service shall be processed under this LGIP. As provided for in Section 3 of Attachment N, interconnection requests for Small Generating Facilities may be studied together in Clusters with Interconnection Requests for Large Generating Facilities.

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 will use the same Reasonable Efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Generating Facilities are owned by Transmission Provider, its subsidiaries or 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 the 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 transmission expansion plan has been submitted and approved by the applicable authority.

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 EIM Requirements.

The Interconnection Customer shall have a continuing duty to comply with Attachment O of this Tariff, as applicable.

Section 3. Interconnection Requests and Informational Interconnection Study Requests

3.1 Interconnection Requests

An Interconnection Customer shall submit to Transmission Provider, during a Cluster Request Window, an Interconnection Request in the form of Appendix 1 to this LGIP and a refundable deposit of: (a) $75,000 for requests of less than 50

MW; (b) $150,000 for requests of 50 MW and greater, but less than 200 MW; or (c) $250,000 for requests of 200 MW and greater. Pursuant to Section 4.2.2, Transmission Provider shall apply the deposit toward a Cluster Study into which Interconnection Customer is admitted including such Interconnection Customer's individual Facilities Study, and shall be used to process Interconnection Customer's request. For Small Generating Facilities, the appropriate application fee or deposit shall be determined pursuant to Section 1.3 of Attachment N of the Tariff. Interconnection Customer shall submit a separate Interconnection Request for each site and may submit multiple Interconnection Requests for a single site. Interconnection Customer must submit a deposit with each Interconnection Request even when more than one request is submitted for a single site. 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 the Scoping Meeting 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 of Interconnection to be studied no later than the execution of the Cluster Study Agreement. For purposes of clustering Interconnection Service requests, Transmission Provider may make reasonable changes to the requested Point of Interconnection to facilitate efficient interconnection of Interconnection Customers at common Points of Interconnection. Transmission Provider shall notify Interconnection Customers in writing of any intended changes to the requested Point of Interconnection 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 the 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 the Interconnection Customer. Interconnection Customers may be subject to additional control technologies as

well as testing and validation of those technologies consistent with Article 6 of the LGIA. The necessary control technologies and protection systems shall be established in Appendix C of that executed 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 of five (5) Business Days after the initial Cluster Study Report Meeting held under Section 7.4(c). Interconnection Customer may then elect to proceed with Network Resource Interconnection Service or to proceed under a lower Level of Interconnection Service 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 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 in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers. 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, 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. The Transmission Provider may also study the Transmission System under non-peak load conditions. However, upon request by the Interconnection Customer, the Transmission Provider must explain in writing to the 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.

3.3.1 Surplus Interconnection Service Requests.

Surplus Interconnection Service requests may be made by the existing Interconnection Customer whose Generating Facility is already interconnected or one of its Affiliates. 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 or Cluster Study 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.

All notifications and requests for Surplus Interconnection Service shall be submitted in accordance with the Transmission Provider's Business Practice, posted on its OASIS, and shall be processed outside of the interconnection queue. In order to deem a request for Surplus Interconnection Service valid and complete, a deposit of $25,000 must be received by the Transmission Provider. After a request for Surplus Interconnection Service has been deemed valid and complete by the Transmission Provider, the Transmission Provider will notify the Interconnection Customer and schedule the Scoping Meeting within five (5) Business Days.

3.3.2 Surplus Interconnection Service System Impact Study.

3.3.2.1 Within five (5) Business Days following the Scoping Meeting, Interconnection Customer shall specify for inclusion in the attachment to the Interconnection System Impact Study Agreement its requested Point(s) of Interconnection. Within five (5) Business Days following Transmission Provider's receipt of such Point(s) of Interconnection, Transmission Provider shall tender to Interconnection Customer the Surplus Interconnection Service System Impact Study Agreement in the form of Appendix 5 of this LGIP signed by Transmission Provider, which includes a good faith estimate of the estimated timeframe for completing the Surplus Interconnection Service System Impact Study. The Surplus Interconnection Service System Impact Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Surplus Interconnection Service System Impact Study.

3.3.2.2 Interconnection Customer shall execute the Surplus Interconnection Service System Impact Study Agreement and deliver the executed Surplus Interconnection Service System Impact Study Agreement to Transmission Provider no later than thirty (30) Calendar Days after its receipt.

3.3.2.3 As part of its Surplus Interconnection Service System Impact Study process, the Transmission Provider will evaluate the original interconnection system impact study, if any, or applicable Cluster Studies, to determine their suitability for use in the evaluation of the request for Surplus Interconnection Service. Inclusive of any Surplus Interconnection Service System Impact Study(ies) performed to evaluate the existing Interconnection Service and deemed suitable for use in the evaluation of the request 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 existing Interconnection Service was not studied under off-peak conditions or such study was not deemed suitable, off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. If an existing interconnection system impact study or Cluster Study is not available or deemed suitable 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 studies performed to evaluate a request for Surplus Interconnection Service will identify if any additional Interconnection Facilities and/or Network Upgrades are necessary. If any additional Network Upgrades are necessary, the Surplus Interconnection Request will be denied. Necessary control technologies will also be identified in the studies performed.

3.3.2.4 Transmission Provider shall use Reasonable Efforts to complete the Surplus Interconnection Service System Impact Study within ninety (90) Calendar Days after the receipt of the Surplus Interconnection Service System Impact Study Agreement or notification to proceed, study payment, and technical data.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Surplus Interconnection Service System Impact Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Surplus Interconnection Service System Impact Study. If Transmission Provider is unable to complete the Surplus Interconnection Service System Impact Study within the time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.

3.3.2.5 Within ten (10) Business Days of providing a Surplus Interconnection Service System Impact Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Surplus Interconnection Service System Impact Study, unless otherwise mutually agreed upon by the Parties.

3.3.3 Surplus Interconnection Service Agreement.

3.3.3.1 Within thirty (30) Calendar Days after delivery of the Surplus Interconnection Service System Impact Study report, Transmission Provider shall tender a draft Surplus Interconnection Service Agreement to the original Interconnection Customer and the Surplus Interconnection Service Customer. The draft Surplus Interconnection Service Agreement shall be executed and returned within thirty (30) Calendar Days.

3.3.3.2 Transmission Provider and Interconnection Customers shall negotiate concerning any disputed provisions of the appendices to the draft

Surplus Interconnection Service Agreement for not more than sixty (60) Calendar Days after tender of the draft Surplus Interconnection Service Agreement. If any Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft Surplus Interconnection Service Agreement pursuant to Section 3.3.3.1 and initiate Dispute Resolution procedures pursuant to Section 13.5 of the LGIP. Within sixty (60) Calendar Days of tender of draft Surplus Interconnection Service Agreement and unless otherwise agreed by the Parties, if Interconnection Customer has not executed the Surplus Interconnection Service Agreement or initiated Dispute Resolution procedures pursuant to Section 13.5 of the LGIP, it shall be deemed to have withdrawn its Interconnection Request. Transmission Provider shall provide to Interconnection Customers a final Surplus Interconnection Service Agreement within fifteen (15) Business Days after the completion of the negotiation process.

3.4 Valid Interconnection Request

3.4.1 Initiating an Interconnection Request

An Interconnection Customer wishing to join a Cluster shall submit its Interconnection Request to Transmission Provider within, and no later than close of the Cluster Request Window. To initiate an Interconnection Request, Interconnection Customer must submit all of the following:

(i) applicable deposit amount, pursuant to Section 3.1;

(ii) a completed application in the form of Appendix 1 (including applicable technical information);

(iii) Site Control demonstration pursuant to Section 3.4.1(iii)(a) or (b) below;

a. Demonstration of actual Site Control. For demonstration of Site Control of Large Generating Facilities: Specifications for acceptable site size for the purposes of demonstrating Site Control are posted on Transmission Provider's OASIS website. Interconnection Customer may propose alternative specifications for site size to those posted on OASIS for Transmission Provider approval. In the event Transmission Provider and Interconnection Customer cannot reach agreement related to adequacy of site size,

Transmission Provider will accept a Professional Engineer (licensed in the state of the Point of Interconnection) stamped site plan drawing that depicts the proposed generation arrangement and specifies the maximum facility output for that arrangement. Demonstration of Site Control for Small Generating Facilities shall be pursuant to Section 1.5 of Attachment N.

b. Posting of an additional deposit of $10,000 in lieu-of Site Control. Deposits paid pursuant to this Section 3.4.1(iii) shall be refunded to the Interconnection Customer upon Commercial Operation or upon withdrawal pursuant to Section 3.7, subject to applicable Withdrawal Penalties.

(iv) Generating Facility size (MW) (and requested Interconnection Service amount if the requested Interconnection Service is less than the Generating Facility Capacity);

(v) One of the following Readiness Milestone Options totaling the entire capacity of the Generating Facility (or requested Interconnection Service amount if the requested Interconnection Service is less than the Generating Facility Capacity).

a. Executed term sheet (or comparable evidence) related to a contract for sale of (i) the constructed Generating Facility to a load-serving entity or to a commercial, industrial, or other large end-use customer, (ii) the Generating Facility's energy where the term of sale is not less than five (5) years, or (iii) the Generating Facility's ancillary services if the Generating Facility is an electric storage resource where the term of sale is not less than five (5) years;

b. Executed contract binding upon the parties for sale of (i) the constructed Generating Facility to a load-serving entity or to a commercial, industrial, or other large end-use customer, (ii) the Generating Facility's energy

where the term of sale is not less than five (5) years, or (iii) the Generating Facility's ancillary services if the Generating Facility is an electric storage resource where the term of sale is not less than five (5) years;

c. Reasonable evidence that the Generating Facility has been selected in a Resource Plan or Resource Solicitation Process by or for a load-serving entity, is being developed by a load-serving entity, or is being developed for purposes of a sale to a commercial, industrial, or other large end-use customer;

d. A refundable deposit of $3,000 per MW of generating capacity proposed in the Interconnection Request; or

e. Site specific Purchase Order for generating equipment specific to the Interconnection Request, or statement signed by an officer or authorized agent of the Interconnection Customer attesting that the Generating Facility included is to be supplied with turbines with a manufacturer's blanket purchase agreement to which Interconnection Customer is a party. This blanket purchase agreement shall be provided to Transmission Provider.

(vi) A Point of Interconnection.

(vii) Whether the Interconnection Request shall be studied as a Network Resource Interconnection Service or an Energy Resource Interconnection Service, consistent with Section 3.2.

Interconnection Customer shall promptly inform Transmission Provider of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.1(iii) or its satisfaction of a Readiness Milestone Option as selected under Section 3.4.1(v) or Section 8.1, as applicable. Upon Transmission Provider determining separately that Interconnection Customer no longer satisfies Site Control or a Readiness Milestone Option, Transmission Provider shall give Interconnection Customer ten (10) Business Days to demonstrate satisfaction with the applicable requirement to Transmission Provider's satisfaction. Absent such

demonstration, Transmission Provider will deem the subject Interconnection Request withdrawn.

The expected In-Service Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility shall be no more 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 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, such agreement not to be unreasonably withheld.

3.4.2 Acknowledgment of Interconnection Request

Transmission Provider shall acknowledge receipt of the Interconnection Request within five (5) Business Days of receipt of the request and attach a copy of the received Interconnection Request to the acknowledgement.

3.4.3 Deficiencies in Interconnection Request

An Interconnection Request will not be considered to be a valid request until all items in Section 3.4.1 have been received by Transmission Provider. If an Interconnection Request fails to meet the requirements set forth in Section 3.4.1, Transmission Provider shall use Reasonable Efforts to notify Interconnection Customer as soon as practicable following 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 no later than the close of the Cluster Request Window. Notwithstanding any other provision in Transmission Provider□s Tariff, an Interconnection Request with any uncured deficiency at the time the Cluster Request Window closes will be deemed an invalid Interconnection Request. At any time, if Transmission Provider identifies issues with technical data provided by Interconnection Customer, Interconnection Customer and Transmission Provider shall work expeditiously and in good faith to remedy any data issues.

Transmission Provider shall determine if the information contained in the Interconnection Request is sufficient to start the Cluster Study by the close of the Customer Engagement Window.

3.4.4 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. If requested by an Interconnection Customer, Transmission Provider shall also hold individual customer-specific Scoping Meetings, which must be requested no later than fifteen (15) Business Days after the close of the Cluster Request Window.

The purpose of the Scoping Meeting shall be to discuss alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to discuss the Cluster Area materials posted to OASIS pursuant to Section 7.4, and to analyze such information. Transmission Provider and Interconnection Customer shall 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, (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting, (vi) for wind or solar facilities, generation profile data, and (vii) if the Large Generating Facility is or, as a hybrid, includes solar photovoltaic technology, a completed Attachment A to Appendix 7. Transmission Provider and Interconnection Customer 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. The duration of the meeting shall be sufficient to accomplish its purpose.

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 (combined cycle, base load or combustion turbine and fuel type); 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 or initiates Dispute Resolution pursuant to Section 13.5. Before holding a Scoping Meeting with any 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 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.

3.5.2 Requirement to Post Interconnection Study Metrics

Transmission Provider will maintain on its OASIS or its website summary statistics related to processing Interconnection Studies pursuant to Interconnection Requests, updated quarterly. If Transmission Provider posts this information on its website, a link to the information must be provided on Transmission Provider's OASIS site. For each calendar quarter, Transmission Providers must calculate and post the information detailed in Sections 3.5.2.1 through 3.5.2.3.

3.5.2.1 Interconnection Cluster Study Processing Time.

(A) Number of Interconnection Requests that had Cluster Studies completed within Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Cluster Studies completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than one hundred fifty (150) Calendar Days after commencement of the Cluster Study,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Cluster Studies one hundred fifty (150) Calendar Days after commencement of the Cluster Study,

(D) Mean time (in days), Cluster Studies completed within Transmission Provider's coordinated region during the reporting quarter, from the commencement of the Cluster Study to the date when Transmission Provider provided the completed Cluster Study to the Interconnection Customer,

(E) Percentage of Cluster Studies exceeding one hundred fifty (150) Calendar Days to complete this reporting quarter, calculated as the sum of 3.5.2.1(B) plus 3.5.2.1(C) divided by the sum of 3.5.2.1(A) plus 3.5.2.1(C)).

3.5.2.2 Interconnection Facilities Studies Processing Time.

(A) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than (study duration depends on Interconnection Customer's selection on Facilities Study Agreement) after receipt by Transmission Provider of the Interconnection Customer's executed Interconnection Facilities Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Service requests with ongoing incomplete Interconnection Facilities Studies where such Interconnection Requests had executed Interconnection Facilities Studies Agreement received by Transmission Provider more than (study duration depends on

Interconnection Customer's selection on Facilities Study Agreement) before the reporting quarter end,

(D) Mean time (in days), for Interconnection Facilities Studies completed within Transmission Provider's coordinated region during the reporting quarter, calculated from the date when Transmission Provider received the executed Interconnection Facilities Study Agreement to the date when Transmission Provider provided the completed Interconnection Facilities Study to the Interconnection Customer,

(E) Percentage of delayed Interconnection Facilities Studies this reporting quarter, calculated as the sum of 3.5.2.2(B) plus 3.5.2.2(C) divided by the sum of 3.5.2.2(A) plus 3.5.2.2(C)).

3.5.2.3 Interconnection Service Requests Withdrawn from Interconnection Queue.

(A) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter,

(B) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of any interconnection studies or execution of any interconnection study agreements,

(C) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of a Cluster Study,

(D) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of an Interconnection Facilities Study,

(E) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue after execution of a generator interconnection agreement,

(F) Mean time (in days), for all withdrawn Interconnection Requests, from the date when the request was determined to be valid to when Transmission Provider received the request to withdraw from the queue.

3.5.3 Transmission Provider is required to post on OASIS or its website the measures in paragraph 3.5.2.1(A) through paragraph 3.5.2.3(F) for each calendar quarter within 30 days of the end of the calendar quarter. Transmission Provider will keep the quarterly measures posted on OASIS or its website for three calendar years with the first required report to be in the first quarter of [___]. If Transmission Provider retains this information on its website, a link to the information must be provided on Transmission Provider's OASIS site.

3.5.4 In the event that any of the values calculated in paragraphs 3.5.2.1(E) or 3.5.2.2(E) exceeds 25 percent for two consecutive calendar quarters, Transmission Provider will have to comply with the measures below for the next four consecutive calendar quarters and must continue reporting this information until Transmission Provider reports four consecutive calendar quarters without the values calculated in 3.5.2.1(E) or 3.5.2.2(E) exceeding 25 percent for two consecutive calendar quarters:

(i) Transmission Provider must submit a report to the Commission describing the reason for each study or group of clustered studies pursuant to an Interconnection Request that exceeded its deadline (i.e., 150, 90 or 180 days) for completion (excluding any allowance for Reasonable Efforts). Transmission Provider must describe the reasons for each study delay and any steps taken to remedy these specific issues and, if applicable, prevent such delays in the future. The report must be filed at the Commission within 45 days of the end of the calendar quarter.

(ii) Transmission Provider shall aggregate the total number of employee-hours and third party consultant hours expended towards interconnection studies within its coordinated region that quarter and post on OASIS or its website. If Transmission Provider posts this information on its website, a link to the information must be

provided on Transmission Provider's OASIS site. This information is to be posted within 30 days of the end of the calendar quarter.

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 and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in this LGIP. Transmission Provider will include such Affected System Operators in all meetings held with Interconnection Customer as required by this LGIP. Interconnection Customer will cooperate with Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A transmission provider which may be an Affected System shall cooperate with Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems. It is the responsibility of the Affected System Owner to 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 (i) complete any interconnection studies and (ii) construct any necessary Interconnection Facilities and Network Upgrades needed to reliably interconnect at the requested service level.

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 action 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, including any placement in a particular Cluster. 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.

In the case of a withdrawal, Transmission Provider shall:

(i) update OASIS as appropriate, including any Queue Position changes;

(ii) impose the applicable Withdrawal Penalty described in Section 3.7.1, if any; and

(iii) issue any refund to Interconnection Customer pursuant to Section 13.3.2.

In the event of such withdrawal, Transmission Provider, subject to the confidentiality provisions of Section 13.1, 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. Except as provided in Attachment M-1 of Transmission Provider's Tariff, an Interconnection Customer shall be subject to a penalty ("Withdrawal Penalty") if it withdraws its Interconnection Request or the Generating Facility does not otherwise reach Commercial Operation unless (1) the withdrawal does not negatively affect the timing or cost of other projects within the same Cluster as determined by Transmission Provider; (2) the Interconnection Customer withdraws after receiving the most recent Cluster Study Report and the costs assigned to the Interconnection Request identified in that report have increased by more than twenty-five percent (25%) compared to costs identified in the previous Cluster Study Report; (3) the Interconnection Customer withdraws after receiving the individual Facilities Study report and the costs assigned to the Interconnection Request identified in that report have increased by more than 100 percent compared to costs identified in the most recent Cluster Study Report. For the avoidance of doubt, Small Generating Facilities participating in the Cluster Study process pursuant to Section 7 shall not be subject to Withdrawal Penalties.

3.7.1.1 Calculation of the Withdrawal Penalty. If the withdrawing Interconnection Customer has demonstrated any of the Readiness Milestone Options in Sections 3.4.1(v)(a) – (c) or 3.4.1(v)(e), and is withdrawing prior to executing an LGIA, the Interconnection Customer shall be charged one (1) times its actual allocated cost of all studies performed up until that point.

If the withdrawing Interconnection Customer only demonstrated the Readiness Milestone Option in Section 3.4.1(v)(d) and is withdrawing prior to executing an LGIA, that Interconnection Customer's Withdrawal Penalty shall be as follows:

(a) If Interconnection Customer withdraws either (i) following commencement of the Cluster Study and before receipt of a Cluster Study Report, or (ii) after receipt of a Cluster Study Report, the Interconnection Customer shall be charged two (2) times of its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point, regardless of any previous Withdrawal Penalty revenues received. This amount shall be capped at one (1) million dollars.

(b) If Interconnection Customer withdraws after receipt of any applicable restudy reports issued pursuant to Section 7.4, the Interconnection Customer shall be charged three (3) times of its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point, regardless of any previous Withdrawal Penalty revenues received. This amount shall be capped at one and one half (1.5) million dollars.

(c) If Interconnection Customer withdraws after receipt of the individual Facility Study report issued pursuant to Section 8, the Interconnection Customer shall be charged five (5) times of its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point, regardless of any previous Withdrawal Penalty revenues received. This amount shall be capped at two (2) million dollars.

The Withdrawal Penalty for any Interconnection Customer that, before achieving Commercial Operation, withdraws after executing an LGIA shall be nine (9) times of its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point, regardless of any previous Withdrawal Penalty revenues received. In the event that the Interconnection Customer suspends its interconnection agreement, the Interconnection Customer shall be obligated to pay for costs associated with any studies or restudies required as a result of the suspension of the interconnection agreement, including any restudies associated with any affected lower-queued customers.

3.7.1.2 Distribution of the Withdrawal Penalty.
Any Withdrawal Penalty revenues shall be used to fund generation interconnection studies, including individual Interconnection Facility Studies. Withdrawal Penalty revenues shall first be applied, in the form of a bill credit, to not-yet-invoiced study costs for other Interconnection Customers in the same Cluster, and to the extent that such studies are fully credited, shall be applied to study costs of future Clusters in queue order. Withdrawn Interconnection Customers shall not receive a bill credit associated with Withdrawal Penalty revenues. Distribution of Withdrawal Penalty revenues to a specific study shall not exceed the total actual study costs. Allocation of Withdrawal Penalty revenues within a Cluster to a specific Interconnection Customer shall be (1) fifty percent (50%) on a per capita basis based on number of Interconnection Requests in the applicable Cluster; and (2) fifty percent (50%) to Interconnection Customers on a pro-rata basis based on requested megawatts included in the applicable Cluster. Distribution of Withdrawal Penalty revenue associated with Section 3.7.1.1(c) shall not be distributed to the remaining Interconnection Customers in that Cluster until all Interconnection Customers in that Cluster have reached Commercial Operation and thereafter shall be distributed as described above. Transmission Provider shall not change the distribution of Withdrawal Penalty revenue without authorization by the Commission. Transmission Provider shall post the Withdrawal Penalty balance on its OASIS site.

3.8 Identification of Contingent Facilities.

Transmission Provider shall post in this section a method for identifying the Contingent Facilities to be provided to Interconnection Customer at the conclusion of the Cluster Study and included in Interconnection Customer's Large Generator Interconnection Agreement. The method shall be sufficiently transparent to determine why a specific Contingent Facility was identified and how it relates to the Interconnection Request. Transmission Provider shall also provide, upon request of the Interconnection Customer, the estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time of each identified Contingent Facility when this information is readily available and not commercially sensitive.

As part of the Cluster Study, the Transmission Provider shall identify, Contingent Facilities using the following methods:

(1) Review all additions, modifications, and upgrades to the Transmission Provider's Transmission System that are part of the Transmission Provider's transmission expansion plan, and facilities identified as Network Upgrades through the Interconnection System Impact Studies for higher queued Interconnection Requests that are not yet in service. Contingent Facilities shall be identified from this list of facilities that meet the following criteria:

a. Power Transfer Distribution Factor or Outage Transfer Distribution Factor ≥5% OR;
b. MVA impact (Power Transfer Distribution Factor or Outage Transfer Distribution Factor multiplied by generator output of the Interconnection Request) ≥5MVA, OR;
c. MVA impact (Power Transfer Distribution Factor or Outage Transfer Distribution Factor multiplied by generator output of the Interconnection Request) ≥1% of the facility rating.

(2) Coordination with applicable Affected System parties to determine what Contingent Facilities have been identified through Affected System studies based on their respective criteria.

The Contingent Facilities identified for a given Interconnection Request are the total of all facilities through each of the foregoing methods. The Interconnection Customer will be provided a list of all Contingent Facilities identified at the conclusion of the Cluster Study. This list of Contingent Facilities will also be included in the Interconnection Customer's LGIA. The Transmission Provider shall also provide, upon request of the Interconnection Customer, the estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time of each identified Contingent Facility when this information is readily available and not commercially sensitive.

3.9 Informational Interconnection Study Requests.

Interconnection Customers evaluating different options (such as different sizes, sites, or voltages) are encouraged but not required to use the Informational Interconnection Study Process in Section 6 before entering the Cluster Study process.

Section 4. Queue Position

4.1 General

Once an Interconnection Customer has submitted a valid Interconnection Request pursuant to Section 3.4, such Interconnection Request shall be admitted into Transmission Provider's queue for further processing pursuant to the following procedures contained in this Section 4.

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. There is no queue for Informational Interconnection Studies.

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 but Clusters initiated earlier in time shall be considered to have a higher Queue Position than Clusters initiated later. The Queue Position of an Interconnection Request shall have no bearing on the allocation of the cost of the common upgrades identified in the applicable Cluster Study (such costs will be allocated among Interconnection Requests in accordance with Section 4.2.3). Moving a Point of Interconnection shall result in a loss of Queue Position if it is deemed a Material Modification under Section 4.4.3.

4.2 General Study Process

Cluster Studies performed within the Interconnection 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.

4.2.1 Cluster Request Windows.

Transmission Provider shall accept Interconnection Requests during a forty-five (45) Calendar Day period, hereinafter referred to as the "Cluster Request Window." The initial Cluster Request Window shall open for Interconnection Requests beginning April 1 following commencement of the transition process set out in Attachment M-1 to this Tariff and successive Cluster Request Windows shall open annually every April 1 thereafter.

4.2.2 Pre-Study Cost and Study Cost Allocation.

Transmission Provider shall determine each Interconnection Customer's share of the costs of a Cluster Study by allocating: (1) fifty percent (50%) of the applicable study costs to Interconnection Customers on a per capita basis based on 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 requested megawatts included in the applicable Cluster. For example, the cost of a Cluster Study consisting of a 100 MW request and a 900 MW request would be allocated 30% to the 100 MW request and 70% to the 900 MW request. Costs incurred by Transmission Provider in preparation for the Cluster Study but before commencement of Cluster Study shall be similarly calculated and allocated.

Any refunds of deposits paid in excess of Interconnection Customer costs allocated pursuant to this Section 4.2.2 shall be issued in accordance with Section 13.3.

4.2.3 Transmission Provider's Interconnection Facilities and Network Upgrade Cost Allocation.

Notwithstanding Section 3.1, for Transmission Provider's Interconnection Facilities and Network Upgrades identified in Cluster Studies, Transmission Provider shall calculate each Interconnection Customer's share of costs in the manner set forth below. If a Cluster Study includes one or more Cluster Areas, such costs shall be calculated and allocated among Interconnection Customers within the same Cluster Area. If the same Network Upgrade is identified in the study of more than one Cluster Area, such Network Upgrade will be allocated to Interconnection Customers in all affected Cluster Areas in the proportional

manner provided in Section 4.2.3(b). Interconnection Customer shall be responsible for funding the costs of any facilities identified by Transmission Provider in such Interconnection Customer's individual Facilities Study report.

a) Station equipment Network Upgrades, including all switching stations, shall be allocated based on the number of Generating Facilities interconnecting at an individual station on a per capita basis (i.e. on a per Interconnection Request basis). If multiple Interconnection Customers are connecting to the Transmission Provider's System through a single Interconnection Customer's Interconnection Facility (i.e. sharing the Interconnection Customer's Interconnection Facility connecting to the Transmission Provider's Interconnection Facility(ies)), those Interconnection Customers shall be considered one Interconnection Customer for the per capita calculation described in the preceding sentence. Shared Transmission Provider's Interconnection Facilities shall be allocated based on the number of Generating Facilities sharing that Transmission Provider's Interconnection Facility on a per capita basis.

b) The funding responsibility for Network Upgrades other than those identified in Section 4.2.3(a) shall be as follows: Interconnection Customers within a Cluster Study that have requested Energy Resource Interconnection Service shall bear their allocable share of the cost of Network Upgrades necessary to provide such service. Interconnection Customers within a Cluster Study that have requested Network Resource Interconnection Service shall bear their allocable share of the cost of Network Upgrades necessary to provide such service. Such allocation shall be based on the proportional capacity of each individual Generating Facility in the Cluster Studies requiring such Network Upgrades in accordance with the iterative process provided in Section 7.3.

c) Costs of Transmission Provider's Interconnection Facilities are directly assigned to the Interconnection Customer(s) using such facilities.

d) Notwithstanding any other provision of this Section 4.2.3, no Interconnection Customer shall be responsible for any Network Upgrade costs identified pursuant to this Section if such Interconnection Customer's Interconnection Request individually represents one (1) percent or less of the total requested megawatts included in the applicable Cluster.

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.

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, 4.4.5, or 4.4.6, or are determined not to be Material Modifications pursuant to Section 4.4.3.

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. Subject to the forgoing sentence, and provided, however, they do not result in a Material Modification, to the extent the identified changes are acceptable to Transmission Provider and Interconnection Customer and potentially impacted Interconnection Customers in the same Cluster, such acceptance not to be unreasonably withheld, Transmission Provider shall modify the Point of Interconnection and/or configuration in accordance with such changes and proceed with any re-studies necessary to do so in accordance with Section 7.5(f) as applicable 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 60 percent 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) 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 Study Window for the purposes of cost allocation and study analysis.

4.4.2 Prior to the return of the executed Interconnection Facility Study Agreement to Transmission Provider, the modifications permitted under this Section shall include specifically: (a) additional 15 percent 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; and (c) a Permissible Technological Advancement for the Large Generating Facility after the submission of the Interconnection Request. Section 4.4.6 specifies a separate technological change procedure including the requisite information and process that will be followed to assess whether the Interconnection Customer's proposed technological advancement under Section 4.4.2(c) is a Material Modification. Section 1 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 4.4.6, Interconnection Customer may first request that Transmission Provider evaluate whether such modification is a Material Modification. 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. Any change to the Point of Interconnection, except those deemed acceptable under Sections 3.1, 4.4.1, 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.

4.4.4 Upon receipt of Interconnection Customer's request for modification permitted under this Section 4.4, Transmission Provider shall commence and perform any necessary additional studies as soon as practicable, but in no event shall Transmission Provider commence such studies later than 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.

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. For purposes of this Section, the Commercial Operation Date reflected in the initial Interconnection Request shall be used. Such cumulative extensions are inclusive of extensions requested after execution of the LGIA by Interconnection Customer.

4.4.6 Technological Change Procedures

Prior to the return of the executed Facilities Study Agreement to the Transmission Provider, the Interconnection Customer may submit a technological advancement request to the Transmission Provider. Permissible Technological Advancements may include advancements to turbines, inverters, plant supervisory controls, or other technological advancements that may enhance a generating facility's ability to provide ancillary services, but do not include changes in generation technological or fuel type (include the energy source behind an inverter). Any changes to electrical output (MW) must adhere to LGIP Sections 4.4.1 and 4.4.2.

In order to have a completed technological advancement request, the Interconnection Customer shall submit:

(1) A written technological advancement request, specifying the change in technological the Interconnection Customer seeks;

(2) Analysis that demonstrates how the incorporation of the proposed technological advancement would (i) result in electrical performance that is equal to or better than the electrical performance expected prior to the technological change, and (ii) not cause any reliability concerns;

(3) A revised Appendix 1 to LGIP Interconnection Request for a Large Generating Facility with revised technical data, including modeling data, associated with the technological advancement being requested, and any other data deemed necessary by the Transmission Provider to determine if the technological advancement request is a Material Modification; and

(4) Any required deposit.

If the difference between the Initial Deposit submitted as per Section 3.4.1, less any part of that Deposit deemed nonrefundable as per Section 3.4.1, is $10,000 or greater, the Interconnection Customer will not be required to tender a deposit for additional studies to evaluate the technological advancement request. If the difference between the Initial Deposit submitted as per Section 3.4.1, less any part of that Deposit deemed nonrefundable as per Section 3.4.1, is less than $10,000, the Interconnection Customer shall tender a deposit to the amount of $10,000 to the Transmission Provider to evaluate the technological advancement request. The Obligation of Study Costs shall be in accordance with LGIP Section 13.3.

Upon receipt by the Transmission Provider of a completed technological advancement request from the Interconnection Customer, the Transmission Provider will evaluate the technological advancement request to determine whether the technological advancement request is a Permissible Technological Advancement or if it necessitates the performance of additional analyses and/or studies. If the technological advancement request has no effect on electrical parameters or

performance, the technological advancement request will not be considered a Material Modification and will be deemed a Permissible Technological Advancement.

If the Transmission Provider determines that additional analyses and/or studies are required, Transmission Provider's studies may include steady-state, reactive power, short circuit, stability analysis and any other appropriate studies that the Transmission Provider deems necessary based on the Transmission Provider's engineering judgment. These additional studies and/or analyses will determine whether the technological advancements result in electrical performance that is equal to or better than the electrical performance expected prior to the technological advancement request and be deemed a Permissible Technological Advancement, or if the technological advancement is deemed a Material Modification.

If the Transmission Provider determines that the technological advancement request results in a Material Modification, the Interconnection Customer will be so notified and an explanation will be provided. The Transmission Provider shall determine whether or not a technological advancement request is a Material Modification within thirty (30) Calendar Days after the receipt of the initial completed technological advancement request, unless otherwise agreed upon by the Transmission Provider and the Interconnection Customer.

If the technological advancement request is deemed a Material Modification, the Interconnection Customer may either proceed with the previously provided data, or submit a new application, which will receive a new queue position.

Section 5. New Transmission Provider

5.1 Reserved.

5.2 New Transmission Provider

If Transmission Provider transfers control of its Transmission System to a successor Transmission Provider during the period when an Interconnection Request is pending, the original Transmission Provider shall transfer to the successor Transmission Provider any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for

interconnection. Any difference between such net amount and the deposit or payment required by this LGIP shall be paid by or refunded to the Interconnection Customer, as appropriate. The original Transmission Provider shall coordinate with the successor Transmission Provider to complete any Interconnection Study, as appropriate, that the original Transmission Provider has begun but has not completed. If Transmission Provider has tendered a draft LGIA to Interconnection Customer but Interconnection Customer has not either executed the LGIA nor initiated Dispute Resolution pursuant to Section 13.5, Interconnection Customer must complete negotiations with the successor Transmission Provider.

Section 6. Informational Interconnection Study

6.1 Informational Interconnection Study Request

Interconnection Customers may not submit requests for Informational Interconnection Studies until after the Transition Readiness Deadline, as defined in Attachment M-1. Thereafter, at any time prior to submission of an Interconnection Request, an Interconnection Customer may request, and Transmission Provider (either itself or through a consultant) shall perform a reasonable number of Informational Interconnection Studies pursuant to the terms of Section 6.

Interconnection Customer shall submit to Transmission Provider an Informational Interconnection Study Request in the form of Appendix 2 to this LGIP and shall describe the assumptions that Interconnection Customer wishes Transmission Provider to study within the scope described in Section 6.3, including a proposed Point(s) of Interconnection and any reasonable alternative Point(s) of Interconnection.

At the time the Informational Interconnection Study Request is submitted, Interconnection Customer must request either Energy Resource Interconnection Service or Network Resource Interconnection Service, as described in Section 3.4.1; provided, however, any Interconnection Customer requesting an Informational Interconnection Study for Network Resource Interconnection Service may also request that it be concurrently studied for Energy Resource Interconnection Service.

Interconnection Customer must submit a deposit with each Informational Interconnection Request even when more than one request is submitted for a single site. An Informational Interconnection Request to evaluate one site at two

different voltage levels shall be treated as two Informational Interconnection Requests.

At the request of either the Interconnection Customer or Transmission Provider, Transmission Provider and Interconnection Customer will schedule a scoping meeting at a mutually agreed-upon time.

6.2 Informational Interconnection Study Agreement

Within five (5) Business Days after receipt of a request for an Informational Interconnection Study, Transmission Provider shall provide to Interconnection Customer an Informational Interconnection Study Agreement in the form of Appendix 2A.

The Informational Interconnection Study Agreement shall: (i) include the scope of work for the Informational Interconnection Study, subject to other requirements in Section 6.3, (ii) specify the technical data that Interconnection Customer must provide, (iii) specify the Informational Interconnection Study case and assumptions, and (iv) identify the Transmission Provider's estimate of the cost of the Informational Interconnection Study. Notwithstanding the above, Transmission Provider shall not be required as a result of an Informational Interconnection Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request.

Interconnection Customer shall execute the Informational Interconnection Study Agreement within ten (10) Business Days of receipt of an agreed upon scope of work and deliver the Informational Interconnection Study Agreement, the technical data, and a $10,000 study deposit to Transmission Provider. Interconnection Customer shall be responsible for actual study costs.

6.3 Scope of Informational Interconnection Study

The intent of the Informational Interconnection Study is to aid Interconnection Customer in its business decisions related to interconnection of generation facilities prior to submitting an Interconnection Request. The Informational Interconnection Study will consider the Base Case as well as all generating facilities (and with respect to (iii), any identified Network Upgrades) that, on the date the Informational Interconnection 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. The Informational Interconnection Study will consist of a power flow and short circuit analysis.

To the extent possible, the Informational Interconnection Study shall identify the potential Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide Interconnection Service based upon the results and assumptions of the Informational Interconnection Study.

The Informational Interconnection Study shall be performed solely for informational purposes and does not bind the Transmission Provider in any way or entitle the requesting Interconnection Customer to a Queue Position. Interconnection Customer requesting an Informational Interconnection Study shall not be assigned any cost responsibility for Network Upgrades. For the avoidance of doubt, neither the request for nor the performance of an Informational Interconnection Study shall be considered an Interconnection Request.

6.4 Informational Interconnection Study Procedures

The executed Informational Interconnection Study Agreement, the deposit, 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 Informational Interconnection Study Agreement. Transmission Provider shall use Reasonable Efforts to complete the Informational Interconnection Study within a mutually agreed upon time period specified within the Informational Interconnection Study Agreement. This time period shall take into account all previous requests for Informational Studies that have been submitted but not yet completed. If Transmission Provider is unable to complete the Informational 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 work papers and databases or data developed in the preparation of the Informational Interconnection Study, subject to confidentiality arrangements consistent with Section 13.1.

Section 7. Cluster Study

7.1 Cluster Study Agreement

No later than five (5) 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 3 to this LGIP. The Cluster Study Agreement shall require the Interconnection Customer to compensate Transmission Provider for the actual cost of the Cluster Study. The specifications, assumptions, or other provisions in the appendices of the Cluster Study Agreement provided pursuant to this Section 7.1 shall be subject to change by Transmission Provider following conclusion of the Scoping Meeting.

7.2 Customer Engagement Window

Upon the close of each Cluster Request Window, Transmission Provider will open a thirty (30) 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 sentence and upon written consent of all Interconnection Customers within a specific Cluster, Transmission Provider may shorten the Customer Engagement Window in order to start the Cluster Study earlier. Within the first ten (10) Business Days following the close of the Cluster Request Window, Transmission Provider shall post on its OASIS site a list of Interconnection Requests for that Cluster. The list shall identify, for each Interconnection Request: (i) the requested amount of Interconnection Service; (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 type of Interconnection Service requested; (vi) the type of Generating Facility to be constructed including fuel type such as wind, natural gas, coal, or solar; and (vii) the Cluster Area assigned to each Interconnection Request. During the Customer Engagement Window, Transmission Provider will provide to Interconnection Customer a non-binding updated good faith estimate of the cost and timeframe for completing the Cluster Study.

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 3 shall be included in that Cluster Study. Any Interconnection Requests not deemed valid or undergoing Dispute Resolution at the close of the Customer Engagement Window shall not be included in that Cluster. Immediately following

the Customer Engagement Window, Transmission Provider shall initiate the Cluster Study described in more detail in Section 7.

7.3 Execution of Cluster Study Agreement and Scope of Cluster Study

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.

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 Request Window closes:

(i) are existing and directly interconnected to the Transmission System;

(ii) are existing and interconnected to Affected Systems and may have an impact on the Interconnection Request;

(iii) have a pending higher queued or higher clustered 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 consider the level of Interconnection Service requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns.

The Cluster Study shall consist of power flow, stability, and short circuit analyses, the results of which are documented in a single Cluster Study Report, or Cluster Re-Study Report, as applicable.

For purposes of identifying Network Upgrades and other facilities caused by requests for Network Resource Interconnection Service, Transmission Provider will run two iterations of the Cluster Study. The first iteration of the Cluster Study shall assume all requests in the applicable Cluster Study have requested Energy Resource Interconnection Service, to establish a baseline of shared Network Upgrades. In the second iteration, the Transmission Provider shall update the study with any requests for Network Resource Interconnection Service,

as applicable, to identify the incremental Network Upgrades caused by the requests for Network Resource Interconnection Service. In conducting the first iteration of the Cluster Study and determining the necessary Interconnection Facilities and Network Upgrades, Transmission Provider may model operating resources in the Transmission System at less than full output to the extent consistent with maintaining system reliability, Good Utility Practice, and expected operation of the resources in the Transmission System based on historical operating patterns and/or capacity factors. All such modeling assumptions shall be described in the Cluster Study Report.

At the conclusion of the Cluster Study, Transmission Provider will 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 Transmission Provider's 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 estimates for required upgrades. The Cluster Study Report shall identify each Interconnection Customer's estimated allocated costs for Transmission Provider's Interconnection Facilities and Transmission Provider's Network Upgrades pursuant to the methodology in Section 4.2.3. Transmission Provider shall hold an open stakeholder meeting pursuant to Section 7.4 below.

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

Upon issuance of a Cluster Study Report, or Cluster Re-Study Report, if any, Transmission Provider shall simultaneously tender a draft Facility Study Agreement, subject to the conditions in Section 8.1.

7.4 Cluster Study Procedures

Transmission Provider shall coordinate the Cluster Study with any Affected System that is affected by the Interconnection Request pursuant to Section 3.6 above. 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 4.2.1.

a. Transmission Provider may segment and perform Cluster Studies according to geographically and/or electrically relevant areas on the Transmission Provider's Transmission System ("Cluster Area"). Cluster Areas shall be determined by the Transmission Provider at the end of each Customer Engagement Window and shall be based on the valid Interconnection Requests that are submitted during the Cluster Request Window. Before the Scoping Meeting, the Transmission Provider shall initially determine each Cluster Area and shall post on its OASIS website, for discussion during the Scoping Meeting, a draft plan for the Cluster Study, including a map and table defining the Cluster Areas assigned to each valid Interconnection Request received during the Cluster Request Window. Transmission Provider shall post an updated Cluster Area map, table, and final Cluster Study plan on OASIS by no later than the end of the Customer Engagement Window. The Cluster Study shall consist of all valid Interconnection Requests in each respective Cluster Area that have executed a Cluster Study Agreement and have provided all required information before the close of the Customer Engagement Window.

b. Unless restudies are required pursuant to Section 7.5, Transmission Provider shall use Reasonable Efforts to complete the Cluster Study and issue the Cluster Study Report within one hundred fifty (150) Calendar Days of the close of the Customer Engagement Window. If the Cluster Study Report is due on a non-Business Day, Transmission Provider shall issue the report on the first Business Day after the date the Cluster Study Report would otherwise be due.

c. Within ten (10) Business Days of simultaneously furnishing a Cluster Study Report (or, as applicable, Cluster Re-Study Report) and a draft Interconnection Facilities Study Agreement to Interconnection Customers and posting such report on OASIS, Transmission Provider shall convene an open meeting to discuss the study results ("Cluster Study Report Meeting" or "Cluster Re Study Report Meeting"). Transmission Provider shall, upon request, also make itself available to meet with individual Interconnection Customers after the report is provided.

7.5 Cluster Study Withdrawals and Re-Studies

a. If no Interconnection Customer withdraws from the Cluster after completion of the Cluster Study or Cluster Re-Study or is deemed withdrawn pursuant to Section 3.7, Transmission Provider shall electronically notify Interconnection Customers in the Cluster that a Cluster Re-Study is not required.

b. If one or more Interconnection Customer withdraw(s) from the Cluster, Transmission Provider shall determine if a Cluster Re-Study of the Cluster is necessary. If Transmission Provider determines a Cluster Re-Study is not necessary, Transmission Provider shall provide an updated Cluster Study Report within thirty (30) Calendar Days of such determination. When the updated Cluster Study Report is issued, Transmission Provider shall electronically notify Interconnection Customers in the Cluster that a Cluster Re-Study is not required.

c. If one or more Interconnection Customers withdraws from the Cluster and Transmission Provider determines a restudy of the Cluster is necessary as a result, Transmission Provider will continue with such re-studies as described in Section 7.5.d below, until Transmission Provider determines that no further re-studies are required. If an Interconnection Customer withdraws after Section 7.5.a, Section 7.5.c, during the Interconnection Facilities Study, or after other Interconnection Customers in the same Cluster have executed LGIAs, and Transmission Provider determines a restudy of the Cluster is necessary, the Cluster (including any Cluster Area) shall be restudied as described in Section 7.5.d below. Transmission Provider shall electronically notify Interconnection Customers in the Cluster and post on OASIS that a re-study is required.

d. The scope of any Cluster Re-study shall be consistent with the scope of an initial Cluster Study pursuant to Section 7.3. Transmission Provider shall use Reasonable Efforts to complete the Cluster Re-Study for all Cluster Areas within one hundred fifty (150) Calendar Days of the commencement of the first Cluster Area Re-Study. The results of the Cluster Re-Study shall be combined into a single report ("Cluster Re-Study Report"), and Transmission Provider shall hold an open stakeholder meeting ("Cluster Re-Study Report Meeting") within ten (10) Business Days of publishing Cluster Re-Study Report on OASIS.

If additional re-studies are required, Interconnection Customer and Transmission Provider shall follow the procedures of this Section 7.5 until such time that Transmission Provider determines that no further re-studies are required. Transmission Provider shall electronically notify Interconnection Customers in the Cluster when no further re-studies are required.

e. At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required timeframe 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 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 Customer 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.

f. If Re-Study of the Cluster Study other than the Re-Study described in Section 7.5(a)-(d) is required due to a higher or equal priority queued project dropping out of the queue, or a modification of a higher queued project subject to Section 4.4, Transmission Provider shall notify Interconnection Customer(s) in writing. The Transmission Provider shall make Reasonable Efforts to ensure such Re-Study takes no longer than one hundred fifty (150) Calendar Days from the date of notice. Except as provided in Section 3.7 in the case of withdrawing Interconnection Customers, any cost of Re-Study shall be borne by Interconnection Customer(s) being re-studied.

Section 8. Interconnection Facilities Study

8.1 Interconnection Facilities Study Agreement

Simultaneously with the delivery of the final Cluster Study Report, or Cluster Re-Study Report if applicable, Transmission Provider shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 4 to this LGIP. The Interconnection Facilities Study

Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection Facilities Study. Transmission Provider shall provide to Interconnection Customer includes 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: (i) any required technical data; (b) a demonstration of Site Control pursuant to Section 3.4.1(iii); and (c) demonstration of a Readiness Milestone Option in Sections 3.4.1(v)(b) – (c), a site-specific Purchase Order for generating equipment specific to the Interconnection Request, or a Financial Security payment equal to the Network Upgrade costs allocated to Interconnection Customer in the most recent Cluster Study Report minus any amounts already paid pursuant to Section 3.4.1(v)(d). Such additional Financial Security shall be refunded in accordance with Section 13.3.3.

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 re-studies) in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facility 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 Facilities Study will also identify any potential control equipment for requests for Interconnection Service that are lower than the Generating Facility Capacity.

8.3 Interconnection Facilities Study Procedures

Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System pursuant to Section 3.6 above. Transmission Provider shall utilize existing studies to the extent practicable in performing the Interconnection

Facilities Study. Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after receipt of an executed Interconnection Facilities Study Agreement: ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report or, one hundred eighty (180) Calendar Days, if Interconnection Customer requests a +/- 10 percent cost estimate. If the Facilities Study Report is due on a non-Business Day, Transmission Provider shall issue the report on the first Business Day following the day the Facilities Study Report would otherwise be due.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required 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 time required, 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 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-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 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.

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 Re-Study

If re-study of the Interconnection Facilities Study, or Facilities Study for a Small Generating Facility performed under Section 3.6 of Attachment N is required due to a higher or equal priority queued project dropping out of the queue or a modification of a higher queued project pursuant to Section 4.4, Transmission Provider shall so notify Interconnection Customer in writing. Transmission Provider shall make Reasonable Efforts to ensure such re-study shall take no longer than sixty (60) Calendar Days from the date of notice. Re-Studies that require rerunning the Cluster Study analysis may take longer than sixty (60) Calendar Days. Except as provided in Section 3.7 in the case of withdrawing Interconnection Customers, any cost of re-study shall be borne by the Interconnection Customer being re-studied.

Section 9. 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 the 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 the 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 from the Cluster 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.

Section 10. Reserved

Section 11. 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 thirty (30) Calendar Days after the comments are submitted or after the 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 of LGIA, which is in Appendix 6. Interconnection Customer shall execute and return the completed draft appendices within thirty (30) Calendar Days, unless the sixty (60) Calendar Day negotiation period under Section 11.2 has commenced.

11.2 Negotiation

Notwithstanding Section 11.1, 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 and initiate Dispute Resolution pursuant to Section 13.5. If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to initiate 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 initiated Dispute Resolution pursuant to Section 13.5 within sixty (60) Calendar Days of

the 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 fifteen (15) Business Days after the completion of the negotiation process.

11.3 Execution

Within fifteen (15) Business Days after receipt of the final LGIA, Interconnection Customer shall provide Transmission Provider with (A) demonstration that continued Site Control pursuant to Section 3.4.1(iii)(a) and (B) continued proof of meeting a Readiness Milestone Option in Section 3.4.1(v)(b), Section 3.4.1(v)(c), or a site-specific Purchase Order for generating equipment specific to the Interconnection Request, unless Interconnection Customer paid a deposit as provided in Section 3.4.1(v)(d) and associated Network Upgrade costs pursuant to Section 8.1(c). 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's election, has been achieved: (i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility; (ii) 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.

Interconnection Customer shall either: (i) execute two originals of the tendered LGIA and return both signed originals to Transmission Provider; or (ii) initiate Dispute Resolution pursuant to Section 13.5.

11.4 Commencement of Interconnection Activities

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

Section 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. Construction sequencing may also apply to shared Transmission Provider's Interconnection Facilities in a similar manner as described below for 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.

Consequently, the entity with a contractual obligation to construct such Network Upgrades shall be obligated to pay the remaining portion of the costs of the Network Upgrades that had not been expedited. 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.

12.2.3 Advancing Construction of Network Upgrades that are Part of an Expansion Plan of the 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, 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.

12.2.4 Amended Interconnection System Impact Study

If applicable, an interconnection system impact study will be amended to determine the facilities necessary to support the requested In-Service Date. This amended study will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested In-Service Date.

Section 13. Miscellaneous

13.1 Confidentiality

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of 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 Article 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.

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, 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 a potential purchaser or assignee 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, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of 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 not be deemed an exclusive remedy for the Breach of this Section 13.1, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 13.1.

13.1.8 Disclosure to FERC, its Staff, or a State.

Notwithstanding anything in this Section 13.1 to the contrary, and pursuant to 18 CFR Section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the LGIP, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR Section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR Section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.

13.1.9 Subject to the exception in Section 13.1.8, 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 including disclosing the Confidential Information to an RTO or ISO or to a sub-regional, 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.

13.1.10 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).

13.1.11 Destruction of Confidential Information

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.

13.1.12 CPRA, Brown Act

In addition to the foregoing provisions under this Section 13.1, Interconnection Customer acknowledges that Transmission Provider is subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§6250 et seq. ("CPRA") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 *et. Seq*. ("Brown Act"). Requests for information made directly to Transmission Provider pursuant to CPRA will be managed in a similar manner identified within Section 13.1.9. For purposes of the Brown Act, the Parties shall adhere to the provisions of Section 13.1 to maintain confidentiality.

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 and Withdrawal Penalties; Refunds

13.3.1 Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies (or actual allocated costs, in the case of Cluster Studies pursuant to Section 4.2.2) and any Withdrawal Penalty, as applicable. Any difference between the study deposit and the actual cost of the applicable Interconnection Study shall be paid by or refunded, except as otherwise provided herein, to Interconnection Customer or offset against the cost of any future Interconnection Studies associated with the applicable Interconnection Request prior to beginning of any such future Interconnection Studies. If an Interconnection Customer's study deposit paid pursuant to Section 3.1 is greater than the Interconnection Customer's share of actual Cluster Study costs (including applicable restudies), any excess amounts shall be applied to the Interconnection Customer's individual Interconnection Facility Study costs, or refunded to the Interconnection Customer following Transmission Provider's issuance of the Interconnection Customer's final Interconnection Facilities Study report. Interconnection Customer shall be responsible for any Withdrawal Penalties pursuant to Section 3.7 in the event of withdrawal.

13.3.2 In the event of Interconnection Customer's Withdrawal pursuant to Section 3.7, Transmission provider shall refund to Interconnection Customer any of the refundable portion of the following charges: (a) any study deposit paid pursuant to Section 3.1; (b) $3,000 per MW deposit paid pursuant to Section 3.4.1(v)(d); (c) any Site Control-related deposit paid pursuant to Section 3.4.1(iii); and (d) additional Financial Security payment for Network Upgrade costs paid pursuant to Section 8.1(c). Such refundable portion shall be any amount that exceeds Interconnection Customer's share of the costs that Transmission Provider has incurred (such as study costs) including interest calculated in accordance with Section 35.19a(a)(2) of FERC's regulations, and that exceed any Withdrawal Penalty imposed, if applicable.

13.3.3 Additional Financial Security paid by Interconnection Customer pursuant to Section 8.1(c) shall be refunded in whole or in part on the earlier of: (i) Interconnection Customer is able to demonstrate a Readiness Milestone Option in Section 3.4.1(v)(b), Section 3.4.1(v)(c), or a site-specific Purchase Order for generating equipment specific to the Interconnection Request; (ii) the Interconnection Request is withdrawn from the queue and pays any required Withdrawal Penalties; (iii) before achieving Commercial Operation the Interconnection Customer terminates its executed LGIA pursuant to LGIA Article 2.3 or applicable termination procedures and pays any required Withdrawal Penalties; or (iv) Interconnection Customer achieves Commercial Operation. Any partial or full refund pursuant to this Section shall include interest (if applicable) calculated in accordance with Section 35.19a(a)(2) of FERC's regulations, and that exceed any Withdrawal Penalty imposed.

13.3.4 Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study as well as the Withdrawal Penalty, if applicable. Interconnection Customer shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefor. Transmission Provider shall not be obligated to perform or continue to perform any studies unless Interconnection Customer has paid all undisputed amounts in compliance herewith. If invoices are not paid within thirty (30) Calendar Days of receipt of an invoice, Transmission Provider shall draw upon any security and deposits provided under this LGIP to settle all accounts, which shall include any offsets of amounts due and owing by Transmission Provider. After the final invoice is paid and all accounts are settled, Transmission Provider shall refund all remaining security and deposits.

13.4 Third Parties Conducting Studies

If (i) at the time of the signing of an Interconnection Study Agreement there is a disagreement as to the estimated time to complete an Interconnection Study, (ii) Interconnection Customer receives notice pursuant to Sections 7.4, 7.5(e) or 8.3 that Transmission Provider will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives neither the Interconnection Study nor a notice under Sections 7.4, 7.5(e) or 8.3 within the applicable timeframe for such Interconnection Study, then Interconnection Customer may require Transmission Provider to utilize a third party consultant reasonably acceptable to Interconnection Customer and Transmission Provider to perform such Interconnection Study under the direction of Transmission Provider. At other times, Transmission Provider may also utilize

a third party consultant to perform such Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in accord with Article 26 of the LGIA (Subcontractors) and 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. In cases where Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer and Transmission Provider shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. Transmission Provider shall convey all workpapers, data bases, 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 provisions in Section 13.1. In any case, such third party contract may be entered into with either Interconnection Customer or Transmission Provider at Transmission Provider's discretion. In the case of (iii), Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this LGIP, Article 26 of the LGIA (Subcontractors), and the relevant Tariff 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 cooperate 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 the LGIA, the LGIP, 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 Notice of Dispute shall not be deemed a waiver of the requirements of, nor construed as compliance with, California Government Code Section 910 *et seq.,* or any successor statute.

Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

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"); 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 therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the LGIA and LGIP and shall have no power to modify or change any provision of the LGIA and LGIP 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.

13.5.5 Non-binding dispute resolution procedures.

If a Party has submitted a Notice of Dispute pursuant to Section 13.5.1, and the Parties are unable to resolve the claim or dispute through unassisted or assisted negotiations within the thirty (30) Calendar Days provided in that Section, and the Parties cannot reach mutual agreement to pursue the Section 13.5 arbitration process, a Party may request that Transmission Provider engage in Non-binding Dispute Resolution pursuant to this section by providing written notice to Transmission Provider ("Request for Non-binding Dispute Resolution"). Conversely, either Party may file a Request for Non-binding Dispute Resolution pursuant to this Section without first seeking mutual agreement to pursue the Section 13.5 arbitration process. The process in Section 13.5.5 shall serve as an alternative to, and not a replacement of, the Section 13.5 arbitration process. Pursuant to this process, a Transmission Provider must within 30 days of receipt of the Request for Non-binding Dispute Resolution appoint a neutral decision-maker that is an independent subcontractor that shall not have any current or past substantial business or financial relationships with either Party. Unless otherwise agreed by the Parties, the decision-maker shall render a decision within sixty (60) Calendar Days of appointment and shall notify the Parties in writing of such decision and reasons therefore. This decision-maker shall be authorized only to interpret and apply the provisions of the LGIP and LGIA and shall have no power to modify or change any provision of the LGIP and LGIA in any manner. The result reached in this process is not binding. Each Party shall be responsible for its own costs incurred during the process and the cost of the decision-maker shall be divided equally among each Party to the dispute.

13.5.6 Governing Law and Venue

This LGIP and the LGIA, and all agreements hereunder shall be interpreted, governed by, and enforced in accordance with the laws of the State of California, as if executed and to be performed wholly within the State of California.

Any dispute arising out of or relating to this LGIP and the LGIA shall be brought in a state or federal court in the County of Los Angeles in the State of California. Each Party irrevocably agrees to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens.*

13.5.7 Non-Jurisdictional Entity

Notwithstanding the form of this LGIP or the LGIA and any reference or inclusion of these documents within the Tariff, Transmission Provider is a non-public utility under section 201(f) of the Federal Power Act, 16 U.S.C. §824(f), and is subject to FERC jurisdiction only in limited circumstances pursuant to 16 U.S.C. §824j-1.

13.6 Municipal Tax-Exempt Bonds

13.6.1 Transmission Providers That Own Facilities Financed by Tax Exempt and Tax Credit Bonds

This provision is applicable to those facilities that Transmission Provider has financed with municipal tax-exempt bonds, Build America Bonds (BAB), Clean Renewable Energy Bonds ("CREBS" and "New CREBs"), Qualified Energy Conservation Bonds (QECB) and other qualified tax credit bonds (collectively "Tax Exempt and Tax Credit Bonds"). Notwithstanding any other provision of the LGIA and LGIP, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to the LGIA and LGIP if the provision of such transmission service would jeopardize the tax-exempt status, volume cap, or any federal subsidy of any Tax Exempt or Tax Credit Bond 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 bond identified within Section 13.6.1 used to finance its facilities that would be used in providing such Interconnection Service,

it shall advise the Interconnection Customer within thirty (30) Calendar Days of receipt of the Interconnection Request.

Interconnection Customer thereafter may renew its request for interconnection using the process specified in Article 5 of the Transmission Provider's Tariff.

APPENDIX 1 to LGIP
INTERCONNECTION REQUEST FOR A
LARGE GENERATING FACILITY

1. The undersigned Interconnection Customer submits this request to interconnect its Large Generating Facility with Transmission Provider's Transmission System pursuant to a Tariff.

2. This Interconnection Request is for:
   _____ A proposed new Large Generating Facility.
   _____ All or a portion is an electric storage resource.
   _____ A proposed Large Generating Facility with Interconnection Service below the Generating Facility Capacity.
   _____ An increase in the generating capacity or a Material Modification of an existing Generating Facility.
   _____ Provisional Interconnection Service.
   _____ Surplus Interconnection Service.
   _____ Technological Advancement Request.

3. The type of Interconnection Service requested (check one):
   _____ Energy Resource Interconnection Service
   _____ Network Resource Interconnection Service

   Note: For Surplus Interconnection Service requests, the type of Interconnection Service requested cannot exceed the type of Interconnection Service already provided by the original Interconnection Customer's LGIA.

4. Readiness Milestone Option selected, as specified in the LGIP, along with any supporting documentation: _____

   (Note that if the Readiness Milestone Option in Section 3.4.1(v)(d) is selected at this stage, pursuant to the LGIP, Interconnection Customer will also need to satisfy the requirements of Section 8.1 to proceed to a Facilities Study.)

5. Interconnection Customer provides the following information:

   a. Address or location (including GIS site coordinates) or the proposed new Large Generating Facility site (to the extent known) or, in the case of an existing

Generating Facility, the name and specific location of the existing Generating Facility;

b. Maximum summer at ____ degrees C and winter at _____ degrees C megawatt electrical output of the proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of an existing Generating Facility;

c. General description of the equipment configuration;

d. Anticipated In-Service Date for the proposed new Large Generating Facility (Day, Month, and Year);

e. Commercial Operation Date (Day, Month, and Year);

f. Name, address, telephone number, and e-mail address of Interconnection Customer's contact person;

g. Approximate location of the proposed Point of Interconnection;

h. Interconnection Customer Data (set forth in Attachment A);

i. Primary frequency response operating range for electric storage resources;

j. Requested capacity (in MW) of Interconnection Service (if lower than the Generating Facility Capacity);

k. General description of requested Surplus Interconnection Service, if applicable.

6. Applicable deposit amount as specified in Section 3.1 of the LGIP.

7. Site Control as specified in the LGIP: (check one)
____ Evidence is attached to this Interconnection Request
____ Site Control deposit provided in accordance with this LGIP

8. This Interconnection Request shall be submitted to the representative indicated below:

[To be completed by Transmission Provider]

9. Representative of Interconnection Customer to contact:

[To be completed by Interconnection Customer]

10. This Interconnection Request is submitted by:

Name of Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

Attachment A to Appendix 1
Interconnection Request

LARGE GENERATING FACILITY DATA

Note: A WECC-approved General Electric Company Power Systems Load Flow (PSLF) steady state and dynamic data file must be supplied with the Interconnection Request. If other data files are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.

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	$X2_v$	_____		
Negative Sequence – unsaturated	$X2_i$	_____		
Zero Sequence – saturated	$X0_v$	_____		
Zero Sequence – unsaturated	$X0_i$	_____		
Leakage Reactance	Xl_m	_____		

FIELD TIME CONSTANT DATA (SEC)

Open Circuit	T'_{do}	_____	T'_{qo}	_____
Three-Phase Short Circuit Transient	T'_{d3}	_____	T'_{q}	_____
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

Zero 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 completed General Electric Company Power Systems Load Flow (PSLF) data sheet or other compatible formats, such as IEEE and PTI power flow models, must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.

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 by (*) is required.

APPENDIX 2 to LGIP
INFORMATIONAL INTERCONNECTION STUDY REQUEST

1. The undersigned Interconnection Customer submits this request for an Informational Interconnection Study pursuant to Transmission Provider's Tariff.

2. The type of interconnection service to be evaluated (check one):
   _____ Energy Resource Interconnection Service
   _____ Network Resource Interconnection Service

3. Check here _____ only if Network Resource Interconnection Service was selected above and Interconnection Customer also requests to have its proposed Generating Facility studied for Energy Resource Interconnection Service, for informational purposes.

4. Interconnection Customer provides the following information:

   a. Address or location of the proposed new Large Generating Facility site to be studied (to the extent known) or, in the case of an existing Generating Facility, the name and specific location of the existing Generating Facility;

   b. Maximum summer at __ degrees C and winter at __ degrees C megawatt electrical output of the proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of an existing Generating Facility;

   c. General description of the equipment configuration;

   d. Commercial Operation Date to be studied (Day, Month, and Year);

   e. Name, address, telephone number, and e-mail address of Interconnection Customer's contact person;

   f. Approximate location of the proposed Point of Interconnection;

   g. Interconnection Customer Data (set forth in Attachment A);

   h. Primary frequency response operating range for electric storage resources; and

   i. Requested capacity (in MW) of Interconnection Service to be studied (if lower than the Generating Facility Capacity).

5. $10,000 study deposit amount as specified in the LGIP.

6. This Interconnection Request shall be submitted to the representative indicated below:
[To be completed by Transmission Provider]

7. Representative of Interconnection Customer to contact:
[To be completed by Interconnection Customer]

8. This Informational Interconnection Request is submitted by:

Name of Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

Attachment A to Appendix 2
Informational Interconnection Study Request

LARGE GENERATING FACILITY DATA

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	$X2_v$	_____		
Negative Sequence - unsaturated	$X2_i$	_____		
Zero Sequence - saturated	$X0_v$	_____		

Zero Sequence - unsaturated	$X0_i$	_____
Leakage Reactance	Xl_m	_____

FIELD TIME CONSTANT DATA (SEC)

Open Circuit			T'_{do}	_____	T'_{qo}	_____
Three-Phase Short Circuit Transient	T'_{d3}	_____	T'_q	_____		
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

Zero 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 set-points for the protective equipment or software:

_____

Note: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet or other compatible formats, such as IEEE and PTI power flow models, must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.

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 by (*) is required.

APPENDIX 2A TO LGIP
INFORMATIONAL INTERCONNECTION STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____ _____, 20_____ by and between _____, a _____organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ _____ a _____ existing under the laws of the State of _____, ("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 developing a Large Generating Facility or generating capacity addition to an existing Generating Facility; and

WHEREAS, Interconnection Customer is proposing to evaluate an interconnection with the Transmission System; and

WHEREAS, Interconnection Customer has submitted to Transmission Provider an Informational Interconnection Study Request; and

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

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Informational Interconnection Study consistent with Section 6 of the LGIP.

3.0 The scope of the Informational Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Informational Interconnection Study shall be performed solely for informational purposes and is not binding on either Party.

5.0 The Informational Interconnection Study shall be based on the technical information provided by Interconnection Customer in the Informational

Interconnection Study Request, as may be modified as the result of the optional scoping meeting. 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 Informational Interconnection Study. If Interconnection Customer modifies its Informational Interconnection Study Request, the time to complete the Informational Interconnection Study may be extended.

6.0 The Informational Interconnection Study Report shall provide the following information:

- preliminary identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

- preliminary identification of any thermal overload or voltage limit violations resulting from the interconnection; and

- preliminary description and non-bonding estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit and power flow issues.

7.0 Interconnection Customer shall provide a deposit of $10,000 for the performance of the Informational Interconnection Study.

Upon receipt of the Informational Interconnection Study Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Informational Interconnection Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

8.0 Miscellaneous. The Informational Interconnection Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

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.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

Attachment A to Appendix 2A
Informational Interconnection
Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE INFORMATIONAL INTERCONNECTION STUDY

The Informational Interconnection Study will be based upon the information set forth in the Informational Interconnection Study Request and agreed upon in the optional scoping meeting held on _____:

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 the Interconnection Customer and other assumptions to be provided by the Interconnection Customer and Transmission Provider]

APPENDIX 3 to LGIP
CLUSTER STUDY AGREEMENT

THIS AGREEMENT is made and entered into this___day of _____, 20___ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") 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 ("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 [CHOOSE: Large Generating Facility or Small Generating Facility] or generating capacity addition to an existing Generating Facility (including Surplus Interconnection Service and Provisional Interconnection Service) consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the [CHOOSE: Large Generating Facility or Small Generating Facility] or generating capacity addition to an existing Generating Facility (including Surplus Interconnection Service or Provisional Interconnection Service) with the Transmission System; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform a Cluster Study to assess the impact of interconnecting the [CHOOSE: Large Generating Facility or Small Generating Facility] to the Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP and, if applicable, SGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed a Cluster Study consistent with, as applicable, Section 7.0 of the LGIP or Section 3 of the SGIP in accordance with the Tariff and any associated Business Practices.

3.0 The scope of the Cluster Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Cluster Study will be based upon the information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with, as applicable, Section 4.4 of the LGIP or Section 3 of the SGIP. 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. If Interconnection Customer modifies its Interconnection Request or the technical information provided therein, the time to complete the Cluster Study may be extended.

5.0 The Cluster Study report shall provide the following information, as applicable, consistent with the type of Interconnection Service requested:

(i) identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

(ii) identification of any thermal overload or voltage limit violations resulting from the interconnection;

(iii) identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;

(iv) 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, power flow issues; and

(vii) identification of Contingent Facilities.

6.0 Interconnection Customer's deposit, paid pursuant to, as applicable, Section 3.1 of the LGIP, Attachment 2 of the SGIP, or Attachment M-1, as may be applicable, shall be used to pay Interconnection Customer's share of Cluster Study costs allocated pursuant to Section 4.2.2 of the LGIP or Section 3.4.2 of the SGIP. Transmission Provider's good faith estimate for the time of completion of the Cluster Study is [insert date].

Upon receipt of the Cluster Study, Transmission Provider shall charge and Interconnection Customer shall pay its actual allocable costs of the Cluster Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate. As provided in Section 13.3 of the LGIP, Interconnection Customer has thirty (30) Calendar Days of receipt of an invoice from Transmission Provider to pay any undisputed costs. If invoices are not paid within thirty (30) Calendar Days of receipt of an invoice, Transmission Provider shall draw upon the security and deposits provided to settle all accounts, which shall include any offsets of amounts due and owing by Transmission Provider. After the final invoice is paid and all accounts are settled, Transmission Provider shall refund all remaining security and deposits.

7.0 Miscellaneous Provisions.

7.1 Indemnification. The Parties shall at all times indemnify, defend, and hold harmless the other Parties, their respective officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, death, bodily injury or personal injury to any person, damage or destruction to any property (financial, physical, or intellectual) by or to third parties (collectively, "Losses") arising by reason of or incident to or directly or indirectly related to the other Party's acts, errors or omissions, performance or non-performance or Breach of any of their obligations of or under this Agreement, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.2 Accuracy of Information. The Interconnection Customer represents and warrants that, to the best of its knowledge and in accordance with Good Utility Practice, the information that it provides to the Transmission Provider in connection with this Cluster Study Agreement and the Cluster Study is accurate and complete. The Interconnection Customer acknowledges and accepts that it has a continuing obligation under this Cluster Study Agreement to promptly provide the Transmission Provider

with any additional information required to update the information previously provided within no less than forty-eight (48) hours.

7.3 Disclaimer of Warranty; Limitation of Liability and Release. In performing or causing the Cluster Study to be performed, the Transmission Provider may rely on the information provided by the Interconnection Customer and third parties, which Transmission Provider may not have any control over the veracity or accuracy of such information. For data, information and other studies submitted by the Interconnection Customer or obtained from third parties or industry sources, TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

Upon execution of this Cluster Study Agreement, the Interconnection Customer acknowledges and accepts that it has not relied on any representations or warranties not specifically set forth herein.

7.4 Representations and Warranties. Each Party makes the following representations, warranties and covenants:

7.4.1 Good Standing. Such Party is duly organized, validly existing and, in the case of the Interconnection Customer, in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located**;** and that it has legal 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.

7.4.2 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), and, in the case of the Transmission Provider, the limitations on legal remedies against municipal corporations in the State of California.

7.4.3 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.

7.4.4 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.

7.5 Force Majeure.

7.5.1 A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence (which does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to the additional requirement of a Force Majeure Written Notice set forth in Section 7.5.2.

7.5.2 A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall provide the Force Majeure Immediate Notice pursuant to Section 7.5.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set forth above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate

period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

7.6 Assignment. This Cluster Study Agreement shall not be assigned, conveyed or transferred to any third party unless the provisions of Section 4.3 of the LGIP have been satisfied and Transmission Provider consents to such assignment, conveyance or transfer in writing.

7.7 Governing Law. This Agreement was made and entered into in the City of Los Angeles and 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.

7.8 Venue. All litigation arising out of, or relating to this Cluster Study Agreement, shall be brought in a court of competent jurisdiction located in Los Angeles County, 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.*

7.9 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this Cluster Study Agreement, or with respect to any other matter arising in connection with said agreement, shall not be deemed a waiver with respect to any subsequent default or other mater arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

7.10 Binding Effect. This Cluster Study Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors or assigns, subject to Section 4.3 of the LGIP.

7.11 Attorney Fees and Costs. Both Parties agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorney fees and costs.

7.12 Entire Agreement. This Cluster Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This Agreement may be amended only by a written document signed by both Parties.

7.13 Signatures. This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

8.0 Termination or Withdrawal. Any request to terminate or withdraw from a study, expressly excepting any request for an extension of time on the Cluster Study not to exceed one year from the date that the Transmission Provider commenced the study, shall be deemed as a withdrawal of the Interconnection Request in accordance with Section 3.7 of the LGIP.

9.0 Term of Agreement. This agreement shall become effective on the day and year first above written and shall remain in effect for an initial term of one (1) year. The term of this agreement may be extended by mutual agreement of the Parties, provided, however, that in no event shall the total term of this agreement be longer than three (3) years from the day and year first above written.

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.

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

Attachment A to Appendix 3
Cluster Study Agreement

ASSUMPTIONS USED IN CONDUCTING
CLUSTER STUDY

The Cluster Study will be based upon the information set forth in the Interconnection Request and results of applicable prior Interconnection Studies, subject to any modifications in accordance with Section 4.4 of the LGIP and Section 1.4 of the SGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

[Above assumptions to be completed by Interconnection Customer, and other assumptions to be provided by Interconnection Customer and Transmission Provider]

Note: All information below shall be considered preliminary at this time as it is subject to detailed design and verification later

1. **One-line Diagram/Configuration Layout of Interconnection Customer's Facility:**
   (To be provided by the Interconnection Customer)

2. **Interconnection Transmission Line Description**

Interconnection Line	R1 p.u. on 100 MVA base	X1 p.u on 100 MVA base	B p.u on 100 MVA base	R0 p.u on 100 MVA base	X0 p.u. on 100 MVA base

Interconnection Line	Length (mi.)	Conductor Type & Size	Normal Rating (MVA)	Emergency Rating (MVA)

R1, X1, B = positive sequence ,

R0, X0 = zero sequence

3. Generator Step Up Transformer Equivalent

- Transformer winding vector group connection diagrams (ex: **D-Y, Y-D, Y-Y, Y-D-Y**);
- Neutral grounding impedance(s) if applied (ohms)

Transformer Name	Xfmr Rating (MVA)	R1 Pri. to Sec. on 100 MVA base	X1 Pri. to Sec. on 100 MVA base	R1 Pri. to tert. on 100 MVA base*	X1 Sec. to tert. on 100 MVA base*	R1 Sec. to tert. on 100 MVA base*	X1 Sec. to tert. on 100 MVA base*	Tertiary Winding Voltage*
		R0 Pri. to Sec. on 100 MVA base**	X0 Pri. to Sec. on 100 MVA base**	R0 Pri. to tert. on 100 MVA base*	X0 Pri. to tert. on 100 MVA base*	R0 Sec. to tert. on 100 MVA base*	X0 Sec. to tert. on 100 MVA base*	
	Vnorm (from)	Vnorm (to)	Tap (from)	Tap (to)	Variable Tap	Tap (max)	Tap (min)	Tap Step size

*** transformer tertiary winding (if applicable)**
**** with delta tertiary in service (if applicable)**
R1, X1 = positive sequence, R0, X0 = zero sequence

4. Collector System Cable Equivalent Impedance (one line for each collector feeder)

R1 p.u. on 100 MVA base	X1 p.u. on 100 MVA base	B p.u on 100 MVA base	R0 p.u on 100 MVA base	X0 p.u. on 100 MVA base	Rating (MVA) Cont. & Emergency

5. Collector Substation Transformers

- Transformer winding vector group connection diagrams (ex: D-Y, Y-D, Y-Y)
- Neutral grounding impedance(s) if applied (ohms and winding(s))

Transformer Name	TransformerRating (MVA)	R1 p.u. on 100 MVA base	X1 p.u. on 100 MVA base	R0 p.u. on 100 MVA base	X0 p.u. on 100 MVA base			
	Vnorm (from)	Vnorm (to)	Tap (from)	Tap (to)	Variable Tap	Tap (max)	Tap (min)	Tap Step Size

6. Generator Equivalent

Unit	Rated voltage (kV)	Rated power (MVA)	X''1 on 100 MVA Base (pu)	X"2 on 100 MVA Base (pu)	X"0 on 100 MVA Base (pu)	Pmax MW	Pmin MW	Qmax MVars	Qmin MVars	Regulated Bus
In the case of power electronic sources, steady state current limit for short circuit currents (A at rated voltage)										
			-	-	-					

***Qmax indicated is indicative of maximum reactive capability at Pmax**

X"1 = Positive Sequence (first cycle),
X"2 = Negative Sequence (first cycle)
X'0 = Zero Sequence (includes any neutral grounding impedance if applied)

7. Plant-level Reactive Power Compensation

Shunt Capacitor Power Compensation	Size (MVAR)

Shunt Reactor Power Compensation	**Size (MVAR)**

8. **Dynamic Data** (To be provided by the requestor)

All the appropriate dynamic data for each generator, governor, exciter, power system stabilizer, and/or wind turbine, photo-voltaic, and energy storage must be supplied in the GE PSLF format.

The dynamic model data provided shall be a WECC approved model.

9. Additional Data for Harmonic Study

- Inverter specification (Electrical Characteristics) sheet
- Harmonic Frequency Spectrum of the inverter
- Main Transformer MVA rating under normal operating conditions

APPENDIX 4 to LGIP
INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this___day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") 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 ("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, Transmission Provider has completed a 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.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause an Interconnection Facilities Study consistent with Section 8.0 of this LGIP to be performed in accordance with the Tariff and any associated Business Practices.

2.1 Interconnection Customer shall provide (a) a demonstration of Site Control and (b) a Readiness Milestone Option or additional financial security payment in accordance with Section 8.1 of the LGIP.

3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.

4.0 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, power flow issues identified in the Cluster Study, as applicable, consistent with the type of Interconnection Service requested.

5.0 Interconnection Customer shall pay the actual costs of the Interconnection Facilities Study. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice.

6.0 Miscellaneous Provisions.

6.1 Indemnification. The Parties shall at all times indemnify, defend, and hold harmless the other Parties, their respective officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, death, bodily injury or personal injury to any person, damage or destruction to any property (financial, physical, or intellectual) by or to third parties (collectively, "Losses") arising by reason of or incident to or directly or indirectly related to the other Party's acts, errors or omissions, performance or non-performance or Breach of any of

their obligations of or under this Agreement, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

6.2 Accuracy of Information. The Interconnection Customer represents and warrants that, to the best of its knowledge and in accordance with Good Utility Practice, the information that it provides to the Transmission Provider in connection with this Interconnection Facilities Study Agreement and the Interconnection Facilities Study is accurate and complete. The Interconnection Customer acknowledges and accepts that it has a continuing obligation under this Interconnection Facilities Study Agreement to promptly provide the Transmission Provider with any additional information required to update the information previously provided within no less two (2) Business Days.

6.3 Disclaimer of Warranty; Limitation of Liability and Release. In performing or causing the Interconnection Facilities Study to be performed, the Transmission Provider may rely on the information provided by the Interconnection Customer and third parties, which Transmission Provider may not have any control over the veracity or accuracy of such information. For data, information and other studies submitted by the Interconnection Customer or obtained from third parties or industry sources, TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO

EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

Upon execution of this Interconnection Facilities Study Agreement, the Interconnection Customer acknowledges and accepts that it has not relied on any representations or warranties not specifically set forth herein.

6.4 Representations and Warranties. Each Party makes the following representations, warranties and covenants:

6.4.1 Good Standing. Such Party is duly organized, validly existing and, in the case of the Interconnection Customer, in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located**;** and that it has legal 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.

6.4.2 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), and, in the case of the Transmission Provider, the limitations on legal remedies against municipal corporations in the State of California.

6.4.3 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.

6.4.4 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.

6.5 Force Majeure.

6.5.1 A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence (which does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to the additional requirement of a Force Majeure Written Notice set forth in Section 6.5.2.

6.5.2 A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall provide the Force Majeure Immediate Notice pursuant to Section 6.5.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure

Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set forth above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

6.6 Assignment. This Interconnection Facilities Study Agreement shall not be assigned, conveyed or transferred to any third party unless the provisions of Section 4.3 of the LGIP have been satisfied and Transmission Provider consents to such assignment, conveyance or transfer in writing.

6.7 Governing Law. This Agreement was made and entered into in the City of Los Angeles and 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.

6.8 Venue. All litigation arising out of, or relating to this Interconnection Facilities Study Agreement, shall be brought in a court of competent jurisdiction located in Los Angeles County, 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.*

6.9 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this Interconnection Facilities Study Agreement, or with respect to any other matter arising in connection with said agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. Any delay, short of the statutory period of

limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

6.10 Binding Effect. This Interconnection Facilities Study Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors or assigns, subject to Section 4.3 of the LGIP.

6.11 Attorney Fees and Costs. Both Parties agree that in any action to enforce the terms of this agreement that each Party shall be responsible for its own attorney fees and costs.

6.12 Entire Agreement. This Interconnection Facilities Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This agreement may be amended only by a written document signed by both Parties.

6.13 Signatures. This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

7.0 Termination or Withdrawal. Any request to terminate or withdraw from a study, expressly excepting any request for an extension of time on the Interconnection Facilities Study not to exceed one year from the date that the Transmission Provider commenced the study, shall be deemed as a withdrawal of the Interconnection Request in accordance with Section 3.7 of the LGIP.

8.0 Term of Agreement. This agreement shall become effective on the day and year first above written and shall remain in effect for an initial term of one (1) year. The term of this agreement may be extended by mutual agreement of the Parties, provided, however, that in no event shall the total term of this agreement be longer than three (3) years from the day and year first above written.

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.

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

By: _____

Title: _____

Date: _____

INTERCONNECTION CUSTOMER

By: _____

Title: _____

Date: _____

Attachment A to Appendix 4
Interconnection Facilities
Study Agreement

INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR CONDUCTING THE INTERCONNECTION FACILITIES STUDY

Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after of receipt of an executed copy of this Interconnection Facilities Study Agreement:

- ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report, or

- one hundred eighty (180) Calendar Days with no more than a +/- 10 percent cost estimate contained in the report.

Attachment B to Appendix 4
Interconnection Facilities
Study Agreement

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, etc.

One set of metering is required for each generation connection to the new ring bus 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 location of auxiliary power. (Minimum load on CT/PT) Amps

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, control equipment, and/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:

_____

Bus 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:

Begin Construction	Date: _____
Generator step-up transformer receives back feed power	Date: _____
Generation Testing	Date: _____
Commercial Operation	Date: _____

APPENDIX 5 to LGIP
SURPLUS INTERCONNECTION SERVICE SYSTEM IMPACT STUDY AGREEMENT

THIS AGREEMENT is made and entered into this_____ day of ____, 20___ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") 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 ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, in accordance with a request submitted to the Transmission Provider on _____Interconnection Customer is proposing to utilize Surplus Interconnection Service associated with a Large Generating Facility operating under an LGIA between _____("Original Interconnection Customer") and Transmission Provider dated_____ _____;

WHEREAS, Interconnection Customer desires to utilize Surplus Interconnection Service of an existing Generating Facility interconnected with the Transmission System; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform a Surplus Interconnection Service System Impact Study to assess the impact of utilization of Surplus Interconnection Service on the Transmission System, and any Affected Systems.

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

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed a Surplus Interconnection Service System Impact Study consistent with Section 3 of this LGIP and any associated Business Practices as posted on Transmission Provider on its OASIS site.

3.0 The scope of the Surplus Interconnection Service System Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Surplus Interconnection Service System Impact Study will be performed based on the requirements of Section 3 of Transmission Provider's LGIP and the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 4.4 of the 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 Surplus Interconnection Service System Impact Study. If Interconnection Customer modifies its Interconnection Request, or the technical information provided therein is modified, the time to complete the Surplus Interconnection Service System Impact Study may be extended.

5.0 The Surplus Interconnection Service System Impact 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.

6.0 Transmission Provider's good faith estimate for the time of completion of the Surplus Interconnection Service System Impact Study is _____, 20_____. Interconnection Customer's deposit for the Surplus Interconnection Service System Impact Study shall be the same $10,000 provided by the Interconnection Customer as part of the Surplus Interconnection Service Request.

Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Surplus Interconnection Service System Impact 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.

7.0 Miscellaneous Provisions.

7.1 Indemnification. The Parties shall at all times indemnify, defend, and hold harmless the other Parties, their respective officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, death, bodily injury or personal injury to any person, damage or destruction to any property (financial, physical, or intellectual) by or to third parties (collectively, "Losses") arising by reason of or incident to or directly or indirectly related to the other Party's acts, errors or omissions, performance or non-performance or Breach of any of their obligations of or under this Agreement, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.2 Accuracy of Information. The Interconnection Customer represents and warrants that, to the best of its knowledge and in accordance with Good Utility Practice, the information that it provides to the Transmission Provider in connection with this Surplus Interconnection Service System Impact Study Agreement and the Cluster Study is accurate and complete. The Interconnection Customer acknowledges and accepts that it has a continuing obligation under this Surplus Interconnection Service System Impact Study Agreement to promptly provide the Transmission Provider with any additional information required to update the information previously provided within no less than forty-eight (48) hours.

7.3 Disclaimer of Warranty; Limitation of Liability and Release. In performing or causing the Surplus Interconnection System Impact Study to be performed, the Transmission Provider may rely on the information provided by the Interconnection Customer and third parties, which Transmission Provider may not have any control over the veracity or

accuracy of such information. For data, information and other studies submitted by the Interconnection Customer or obtained from third parties or industry sources, TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

Upon execution of this Surplus Interconnection System Impact Study Agreement, the Interconnection Customer acknowledges and accepts that it has not relied on any representations or warranties not specifically set forth herein.

7.4 Representations and Warranties. Each Party makes the following representations, warranties and covenants:

7.4.1 Good Standing. Such Party is duly organized, validly existing and, in the case of the Interconnection Customer, in good standing

under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located**;** and that it has legal 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.

7.4.2 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), and, in the case of the Transmission Provider, the limitations on legal remedies against municipal corporations in the State of California.

7.4.3 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.

7.4.4 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.

7.5 Force Majeure.

7.5.1 A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure

that, despite the exercise of due diligence (which does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to the additional requirement of a Force Majeure Written Notice set forth in Section 7.5.2.

7.5.2 A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall provide the Force Majeure Immediate Notice pursuant to Section 7.5.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set forth above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

7.6 Assignment. This Surplus Interconnection System Impact Study Agreement shall not be assigned, conveyed or transferred to any third

party unless the provisions of Section 4.3 of the LGIP have been satisfied and Transmission Provider consents to such assignment, conveyance or transfer in writing.

7.7 Governing Law. This Agreement was made and entered into in the City of Los Angeles and 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.

7.8 Venue. All litigation arising out of, or relating to this Surplus Interconnection System Impact Study Agreement, shall be brought in a court of competent jurisdiction located in Los Angeles County, 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.*

7.9 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this Surplus Interconnection System Impact Study Agreement, or with respect to any other matter arising in connection with said agreement, shall not be deemed a waiver with respect to any subsequent default or other mater arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

7.10 Binding Effect. This Surplus Interconnection System Impact Study Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors or assigns, subject to Section 4.3 of the LGIP.

7.11 Attorney Fees and Costs. Both Parties agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorney fees and costs.

7.12 Entire Agreement. This Surplus Interconnection System Impact Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This Agreement may be amended only by a written document signed by both Parties.

7.13 Signatures. This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

8.0 Term of Agreement. This agreement shall become effective on the day and year first above written and shall remain in effect for an initial term of one (1) year. The term of this agreement may be extended by mutual agreement of the Parties, provided, however, that in no event shall the total term of this agreement be longer than three (3) years from the day and year first above written.

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.

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

OATT Effective [Insert]

Attachment A To Appendix 5
Surplus Interconnection Service System Impact
Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE
SURPLUS INTERCONNECTION SERVICE SYSTEM IMPACT STUDY

The Surplus Interconnection Service System Impact Study will be based upon the results of the Original Interconnection Customer's system impact study (if any) or Cluster Study, and the following assumptions:

Existing Point of Interconnection of Original Interconnection Customer:

Note: For Surplus Interconnection Service requests, the request cannot exceed the type of Interconnection Service already provided by the Original Interconnection Customer's LGIA.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

APPENDIX 6 TO LGIP

LARGE GENERATOR INTERCONNECTION AGREEMENT

Appendix 6 to the Large Generator Interconnection Procedures

FORM OF LARGE GENERATOR

INTERCONNECTION AGREEMENT (LGIA)

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LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS LARGE GENERATOR INTERCONNECTION AGREEMENT ("Agreement") is made and entered into this ____ day of _____ 20__, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), and the Department of Water and Power of the City of Los Angeles, a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California ("Transmission Provider" and/or "Transmission Owner"). Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

Recitals:

WHEREAS, Transmission Provider operates the Transmission System; and

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

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

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

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

Article 1: Definitions

Adverse System Impact:

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

Affected System:

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

Affected System Operator:

Shall mean the entity that operates an Affected System.

Affiliate:

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

Ancillary Services:

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

Applicable Laws and Regulations:

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

Applicable Reliability Council:

Shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards:

Shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case:

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

Breach:

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

Breaching Party:

Shall mean a Party that is in Breach of the Large Generator Interconnection Agreement.

Business Day:

Shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day:

Shall mean any day including Saturday, Sunday or a Federal Holiday.

Cluster:

Shall mean a group of Interconnection Requests (one or more) that are studied together for the purpose of conducting the Cluster Study.

Cluster Area:

Shall mean the areas of the Transmission Provider's Transmission System that are included together in a Cluster, as described further in Section 7.4 of the LGIP.

Cluster Request Window:

Shall have the meaning set forth in Section 4.2.1 of the LGIP.

Cluster Re-Study:

Shall mean a re-study of a Cluster Study conducted pursuant to Section 7.4 of the LGIP.

Cluster Re-Study Report:

Shall mean the report issued following completion of a Cluster Re-Study pursuant to Section 7.5 of the LGIP.

Cluster Re-Study Meeting:

Shall mean the meeting held to discuss the results of a Cluster Re-Study pursuant to Section 7.5 of the LGIP.

Cluster Study:

Shall mean an Interconnection Study evaluating one or more Interconnection Requests within a Cluster, as described in more detail in Section 7.4 of the LGIP.

Cluster Study Agreement:

Shall mean the form of agreement contained in Appendix 3 to the Large Interconnection Procedures for conducting the Cluster Study.

Cluster Study Report:

Shall mean the report issued following completion of a Cluster Study pursuant to Section 7.4 of the LGIP.

Cluster Study Report Meeting:

Shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7.4 of the LGIP.

Clustering:

Shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, as described in more detail in Section 7 of the LGIP.

Commercial Operation:

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

Commercial Operation Date:

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

Confidential Information:

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

Control Area:

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

Default:

Shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Large Generator Interconnection Agreement.

Dispute Resolution:

Shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System:

Shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from

interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades:

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

Effective Date:

Shall mean the date on which the Large Generator Interconnection Agreement becomes effective upon execution by the Parties.

Emergency Condition:

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

Energy Resource Interconnection Service:

Shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or non-firm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement:

Shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law:

Shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act:

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

FERC:

Shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Force Majeure:

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

Generating Facility:

Shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity:

Shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice:

Shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts

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

Governmental Authority:

Shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof. In this context Transmission Provider does not include the City of Los Angeles or the Board of Water and Power Commissioners. Transmission Provider only includes the Department of Water and Power.

Hazardous Substances:

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

Informational Interconnection Study:

Shall mean an analysis based on assumptions specified by Interconnection Customer in the Informational Interconnection Study Agreement and conducted pursuant to Section 6 of the LGIP.

Informational Interconnection Study Agreement:

Shall mean the form of agreement contained in Appendix 2A to the Large Generator Interconnection Procedures for conducting the Informational Interconnection Study.

Informational Interconnection Study Request:

Shall mean an Interconnection Customer's request in the form of Appendix 2 to the Large Generator Interconnection Procedures.

Initial Synchronization Date:

Shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date:

Shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer:

Shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System. For purposes of the Transmission Provider's Cluster Study process conducted pursuant to Section 7 of the LGIP, and except as modified by Section 3 of Attachment N of the Transmission Provider's Tariff, "Interconnection Customer" shall also mean any Small Generating Facility that is participating in a Cluster.

Interconnection Customer's Interconnection Facilities:

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

Interconnection Facilities:

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

Upgrades or Network Upgrades. Interconnection Facilities may be shared by more than one Generating Facility in a Cluster.

Interconnection Facilities Study:

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

Interconnection Facilities Study Agreement:

Shall mean the form of agreement contained in Appendix 4 of the Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Request:

Shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System. For purposes of the Transmission Provider's Cluster Study process conducted pursuant to Section 7 of the LGIP, and except as modified by Section 1.3 of Attachment N of the Transmission Provider's Tariff, "Interconnection Request" shall also mean any interconnection request from a Small Generating Facility that is participating in a Cluster.

Interconnection Service:

Shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Study:

Shall mean any of the following studies: the Informational Interconnection Study, the Cluster Study, Surplus Interconnection Service System Impact Study, and the Interconnection Facilities Study described in the Large Generator Interconnection Procedures.

IRS:

Shall mean the Internal Revenue Service.

Joint Operating Committee:

Shall be a group made up of representatives from Interconnection Customer and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility:

Shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Loss:

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

Material Modification:

Shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment:

Shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC:

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

Network Resource:

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

Network Resource Interconnection Service:

Shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades:

Shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute:

Shall mean a written notice of a dispute or claim that arises out of or in connection with the Large Generator Interconnection Agreement or its performance.

Party or Parties:

Shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership:

Shall mean the point, as set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Interconnection:

Shall mean the point, as set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Provisional Interconnection Service:

Shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement:

Shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position:

Shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time Interconnection Customer satisfies all of the requirements of Sections 3, 4, and 7 of Transmission Provider's LGIP to enter the Cluster Study Process.

Reasonable Efforts:

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

Readiness Milestone Options:

Shall mean the options set forth in Section 3.4.1(v) of the LGIP.

Resource Plan:

Shall mean any process authorized or required by Applicable Laws and Regulations for, inter alia, the selection of Generating Facilities.

Resource Solicitation Process:

Shall mean any process authorized or required by Applicable Laws and Regulations for the acquisition of Network Resources.

Scoping Meeting:

Shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing the proposed interconnection request, alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to affect such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control:

Shall mean 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 interest in a site of sufficient size to construct and operate the Generating Facility; or (3) any other documentation that clearly demonstrates the right of the Interconnection Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. Site Control for any co-located project is demonstrated by a contract or other agreement demonstrating shared land use for all co-located projects that meet the aforementioned provisions of this Site Control definition.

Small Generating Facility:

Shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades:

Shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System

during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Large Generator Interconnection Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

Surplus Interconnection Service System Impact Study:

Shall mean an engineering study that evaluates the impact of a proposed request for Surplus Interconnection Service on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Large Generator Interconnection Procedures.

Surplus Interconnection Service System Impact Study Agreement:

Shall mean the form of agreement contained in Appendix 5 of the Large Generator Interconnection Procedures for conducting a system impact study for purposes of evaluating a request for Surplus Interconnection Service pursuant to Section 3.3 of the LGIP.

Surplus Interconnection Service:

Shall mean any unneeded portion of Interconnection Service established in a 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 Protection Facilities:

Shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff:

Shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as amended or supplemented from time to time, or any successor tariff.

Transmission Owner:

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

Transmission Provider:

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

Transmission Provider's Interconnection Facilities:

Shall mean all facilities and equipment owned, controlled or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades. Transmission Provider's Interconnection Facilities may be shared by more than one Generating Facility in a given Cluster Study.

Transmission System:

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

Trial Operation:

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

Variable Energy Resource:

Shall mean a device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

Withdrawal Penalty:

Shall have the meaning set forth in Section 3.7.1 of the LGIP.

Article 2: Effective Date, Term, and Termination

2.1 Effective Date:

This LGIA shall become effective upon execution by the Parties.

2.2 Term of Agreement:

Subject to the provisions of Article 2.3, this LGIA shall remain in effect: (i) for a period of ten (10) years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures:

2.3.1 Written Notice:

This LGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice or by Transmission Provider if the Generating Facility permanently ceases Commercial Operation. This LGIA shall be terminated by Transmission Provider if the Generating Facility or a portion of the Generating Facility fails to achieve Commercial Operation by the Commercial Operation Date established in accordance with Section 4.4.5 of the LGIP, including any extension provided thereunder, or, having previously achieved Commercial Operation, has ceased Commercial Operation for three (3) consecutive years, beginning with the last date of Commercial Operation for the Generating Facility, after giving Interconnection Customer ninety (90) Calendar Days advance written notice. When only a portion of the Generating Facility fails to achieve Commercial Operation by the Commercial Operation Date established in accordance with Section 4.4.5 of the LGIP, including any extension provided thereunder, Transmission Provider shall

terminate only that portion of the LGIA. Notwithstanding the foregoing, in the limited circumstance that the Interconnection Request is served by a Contingent Facility with an in-service date that is later than the Commercial Operation Date permitted under Section 4.4.5 of the LGIP, Transmission Provider shall terminate this LGIA only for failure to achieve Commercial Operation by ninety (90) Calendar Days after that later in-service date of the Contingent Facility. The Generating Facility will not be deemed to have ceased Commercial Operation for purposes of this Article 2.3.1 if Interconnection Customer can document that it has taken other significant steps to maintain or restore operational readiness of the Generating Facility for the purpose of returning the Generating Facility to Commercial Operation as soon as possible.

2.3.2 Default:

Either Party may terminate this LGIA in accordance with Article 17.

2.3.3 Notwithstanding Articles 2.3.1 and 2.3.2:

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations and satisfy all outstanding obligations incurred prior to and through the noticed date of termination.

2.4 Termination Costs:

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

2.4.1:

With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that, in the event Interconnection Customer elects not to authorize such cancellation Interconnection Customer shall

assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment and, if necessary, assign such contracts to Interconnection Customers as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return of such materials, equipment, or contracts.

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

2.4.2:

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

2.4.3:

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

2.5 Disconnection:

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

2.6 Survival:

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

Article 3: Regulatory Filings

3.1 Filing:

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

Article 4: Scope of Service

4.1 Interconnection Product Options:

Interconnection Customer has selected the following (checked) type of Interconnection Service:

4.1.1 Energy Resource Interconnection Service:

4.1.1.1 The Product:

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

4.1.1.2 Transmission Delivery Service Implications:

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

4.1.2 Network Resource Interconnection Service:

4.1.2.1 The Product:

Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its

generating facilities to serve native load customers; or (2) in an ISO or RTO with market-based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Attachment A to this LGIA.

4.1.2.2 Transmission Delivery Service Implications:

Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be consistent with traditional principles, processes and procedures of cost-of-service ratemaking.

Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the

output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

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

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

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

4.2 Provision of Service:

Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

4.3 Performance Standards:

Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a Transmission Provider or Transmission Owner, then that Party shall amend the LGIA accordingly. Additionally, the Interconnection Customer shall have a continuing duty to comply with Attachment O of this Tariff, as applicable.

4.4 No Transmission Delivery Service:

The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.5 Interconnection Customer Provided Services:

The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5: Interconnection Facilities Engineering, Procurement, and Construction

5.1 Options:

Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either the Standard Option or Alternate Option set forth below and such dates and selected option shall be set forth in Appendix B, Milestones. At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to Transmission Provider, the Interconnection Customer shall notify Transmission Provider within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

5.1.1 Standard Option:

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

5.1.2 Reserved: .

5.1.3 Option to Build:

Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option:

If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives, or the procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades ifthe Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then pursuant to Article 5.1.1 (Standard Option), Transmission Provider shall assume responsibility for the design, procurement and construction of all facilities other than Transmission Provider's Interconnection

Facilities and Stand Alone Network Upgrades ifthe Interconnection Customer elects to exercise the Option to Build.

5.2 General Conditions Applicable to Option to Build:

If Interconnection Customer assumes responsibility for the design procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades:

(1)

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

(2)

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

(3)

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

(4)

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

(5)

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

(6)

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

(7)

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

(8)

Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

(9)

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

(10)

Transmission Provider shall approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the In-Service Date to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(11)

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

(12)

If Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, Interconnection Customer shall pay Transmission Provider the agreed upon amount of [$ PLACEHOLDER] for Transmission Provider to execute the responsibilities enumerated to Transmission Provider under Article 5.2. Transmission Provider shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

5.3 Liquidated Damages:

The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraph 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ¼ of 1 percent per day of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

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

for the Transmission Provider's failure to meet its schedule.

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

5.4 Power System Stabilizers:

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

5.5 Equipment Procurement:

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

5.5.1:

Transmission Provider has completed the Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;

5.5.2:

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

5.5.3:

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

5.6 Construction Commencement:

Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1:

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

5.6.2:

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

5.6.3:

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

5.6.4:

Interconnection Customer has provided security to Transmission Provider in

accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.7 Work Progress:

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

5.8 Information Exchange:

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

5.9 Other Interconnection Options:

5.9.1 Limited Operation:

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

5.9.2 Provisional Interconnection Service:

Upon the request of Interconnection Customer, and prior to completion of requisite

Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities Transmission Provider may execute a Provisional Large Generator Interconnection Agreement. Transmission Provider shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Generating Facility or Transmission System. Transmission Provider shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities that are necessary to meet the requirements of NERC, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Generating Facility are in place prior to the commencement of Interconnection Service from the Generating Facility. Where available studies indicate that such, Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Generating Facility are not currently in place, Transmission Provider will perform a study, at the Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Generating Facility in the Provisional Large Generator Interconnection Agreement shall be studied and updated [on a frequency determined by Transmission Provider and at the Interconnection Customer's expense]. Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional Large Generator Interconnection Agreement and the Large Generator Interconnection Agreement, including changes in output limits and Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities cost responsibilities.

5.10 Interconnection Customer's Interconnection Facilities: ("ICIF"):

Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.10.1 Interconnection Customer's Interconnection Facility Specifications:

Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such

specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Transmission Provider's Review:

Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.

5.10.3 ICIF Construction:

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

5.11 Transmission Provider's Interconnection Facilities Construction:

Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection

Customer the following "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities including relay diagrams.

Transmission Provider will obtain ownership (unless otherwise agreed by the Transmission Provider) and control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.12 Access Rights:

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

5.13 Lands of Other Property Owners:

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

5.14 Permits:

Transmission Provider or Transmission Owner and Interconnection Customer shall

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

5.15 Early Construction of Base Case Facilities:

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

5.16 Suspension:

Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria.

In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so. Interconnection Customer shall also be obligated to pay any applicable penalties associated with the suspension, pursuant to Section 3.7 of the LGIP.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. Except as provided in Article

5.16.2 below, in the event Interconnection Customer suspends work by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

5.16.1 Effect of Misused Interconnection Customer LGIA Milestones:

If Interconnection Customer fails to provide notice of suspension pursuant to Article 5.16, and Interconnection Customer fails to fulfill or complete any Interconnection Customer LGIA Milestone provided in Appendix B ("LGIA Milestone"), this constitutes a Breach under this LGIA. Depending upon the consequences of the Breach and effectiveness of the cure pursuant to Article 17, Transmission Provider's LGIA Milestones may be revised, following consultation with Interconnection Customer, consistent with Reasonable Efforts, and in consideration of all relevant circumstances. Parties shall employ Reasonable Efforts to maintain their remaining respective LGIA Milestones.

5.16.2 Effect of Suspension; Parties Obligations:

In the event that Interconnection Customer suspends work pursuant to this Article 5.16, the applicable construction duration, timelines and schedules set forth in Appendix B shall be suspended during the period of suspension. Should Interconnection Customer thereafter request that work be recommenced, Appendix A and Appendix B may be revised to account for construction sequencing and modified milestones. If the Commercial Operation Date is extended beyond three (3) cumulative years described in Section 4.4.5 of the LGIP and Article 2.3.1 of this LGIA, such an extension may be considered a Material Modification and result in the termination of the LGIA under Article 2.3.1. Interconnection Customer is required to maintain Site Control while this LGIA is in effect, including during suspension.

5.17 Taxes:

To the extent that Transmission Provider becomes subject to Federal income taxation, the following provisions within this Article 5.17 shall apply:

5.17.1 Interconnection Customer Payments Not Taxable:

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

5.17.2 Representations and Covenants:

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

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

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Provider:

Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify

and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments, property transfers, or its use of the Transmission Provider's Interconnection Facilities or the Transmission System by Interconnection Customer under the terms and conditions of this LGIA, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

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

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten-year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount:

Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Transmission Provider, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Transmission Provider ("Current Taxes") on the excess of (a) the gross income realized by Transmission Provider as a result of payments

or property transfers made by Interconnection Customer to Transmission Provider under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Transmission Provider to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

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

5.17.5 Private Letter Ruling or Change or Clarification of Law:

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

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

and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events:

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

5.17.7 Contests:

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

Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Transmission Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from

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

5.17.8 Refund:

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

(i)

Any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable,

(ii)

Interest on any amounts paid by Interconnection Customer to Transmission Provider for such taxes which Transmission Provider did not submit to the taxing authority, calculated in accordance with the methodology set forth in

FERC's regulations at 18 CFR § 35.19a (a)(2)(iii) from the date payment was made by Interconnection Customer to the date Transmission Provider refunds such payment to Interconnection Customer, and

(iii)

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

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

5.17.9 Taxes Other Than Income Taxes:

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

responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider.

5.17.10 Transmission Owners Who Are Not Transmission Providers:

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

5.18 Tax Status:

Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this LGIA is intended to adversely affect any Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Tax Exempt and Tax Credit Bonds (as defined in Section 13.6.1 of the LGIP).

5.19 Modification:

5.19.1 General:

Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility.

The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission

Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 Standards:

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

5.19.3 Modification Costs:

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

Article 6: Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications:

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

6.2 Post-Commercial Operation Date Testing and Modifications:

Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

6.3 Right to Observe Testing:

Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

6.4 Right to Inspect:

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

Article 7: Metering

7.1 General:

Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from

the Large Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

7.2 Check Meters:

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

7.3 Standards:

Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.

7.4 Testing of Metering Equipment:

Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check

meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

7.5 Metering Data:

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

Article 8: Communications

8.1 Interconnection Customer Obligations:

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

8.2 Remote Terminal Unit:

Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication

protocol for the data circuit(s) shall be specified by Transmission Provider and Interconnection Customer shall supply data in accordance with this communication protocol, including but not limited to: (1) real-time analog data which must be telemetered directly to the location(s) specified by Transmission Provider; (2) status points; (3) accumulators; (4) control points; and (5) any other operating data requested by Transmission Provider, and as further detailed in the Business Practice.

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

8.3 No Annexation:

Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

8.4 Provision of Data from a Variable Energy Resource:

The Interconnection Customer whose Generating Facility is a Variable Energy Resource shall provide meteorological and forced outage data to the Transmission Provider to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The Transmission Provider and Interconnection Customer whose Generating Facility is a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. The Interconnection Customer whose Generating Facility is a Variable Energy Resource also shall submit data to the Transmission Provider regarding all forced outages to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to the Transmission Provider, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of

the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

Article 9: Operations

9.1 General:

Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 Control Area Notification:

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

9.3 Transmission Provider Obligations:

Transmission Provider shall cause the Transmission System and Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations:

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

9.5 Start-Up and Synchronization:

Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.

9.6 Reactive Power and Primary Frequency Response: .

9.6.1 Power Factor Design Criteria:

9.6.1.1 Synchronous Generation:

Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all synchronous generators in the Control Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation:

Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all non-synchronous generators in the Control 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. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of the Final Rule establishing this requirement (Order No. 827).

9.6.2 Voltage Schedules:

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

9.6.2.1 Voltage Regulators:

Whenever the Large Generating Facility is operated in parallel with the Transmission System and the voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its voltage regulators in automatic operation. If the Large Generating Facility's voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify the Transmission Provider's system operator, or its designated representative and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System

or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

9.6.3 Payment for Reactive Power:

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

9.6.4 Primary Frequency Response:

Interconnection Customer shall ensure the primary frequency response capability of its Large 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 Large Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection 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 NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Large 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 an approved NERC 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 Large 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 Large 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 NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Large Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Interconnection Customer shall operate the Large 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 Large Generating Facilities.

9.6.4.1 Governor or Equivalent Controls:

Whenever the Large Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Large Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider 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 NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Large Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider 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. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to

keep outages of the Large Generating Facility's governor or equivalent controls to a minimum whenever the Large Generating Facility is operated in parallel with the Transmission System.

9.6.4.2 Timely and Sustained Response:

Interconnection Customer shall ensure that the Large 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 Large Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection 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 Large 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. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 Exemptions:

Large 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. Large 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. Interconnection:

Customer interconnecting an electric storage resource shall establish an

operating range in Appendix C of its LGIA 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 C 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 Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection 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 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 Interconnection 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. Interconnection 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.

9.7 Outages and Interruptions:

9.7.1 Outages:

9.7.1.1 Outage Authority and Coordination:

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

9.7.1.2 Outage Schedules:

Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider shall compensate Interconnection Customer for up to 50% for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

9.7.1.3 Outage Restoration

If an outage on a Party’s Interconnection Facilities or Network Upgrades adversely affects the other Party’s operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable

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

9.7.2 Interruption of Service:

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

9.7.2.1

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

9.7.2.2

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

9.7.2.3

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

9.7.2.4

Except during the existence of an Emergency Condition, when the

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

9.7.2.5

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

9.7.3 Under-Frequency and Over Frequency Conditions:

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

9.7.4 System Protection and Other Control Requirements:

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

interconnection of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.

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

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

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

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

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

9.7.5 Requirements for Protection
In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the

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

9.7.6 Power Quality

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

9.8 Switching and Tagging Rules:

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

9.9 Use of Interconnection Facilities by Third Parties:

9.9.1 Purpose of Interconnection Facilities

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

9.9.2 Third Party Users

If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology.

9.10 Disturbance Analysis Data Exchange:

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

Article 10: Maintenance

10.1 Transmission Provider Obligations:

Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.2 Interconnection Customer Obligations:

Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.3 Coordination:

The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

10.4 Secondary Systems:

Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses:

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities.

Article 11: Performance Obligation

11.1 Interconnection Customer Interconnection Facilities:

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

11.2 Transmission Provider's Interconnection Facilities:

Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades:

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

11.4 Transmission Credits:

11.4.1 Repayment of Amounts Advanced for Network Upgrades:

Transmission Provider is a non-public utility. Transmission Provider and Interconnection Customer agree to waive the crediting policy and reimbursement obligations applicable to public utility transmission providers.

Notwithstanding the foregoing, if an Affected System is identified in the evaluation of the Interconnection Request or Interconnection Service, Interconnection Customer and Affected System Operator will comply with the crediting policy or reimbursement obligations of the Affected System Operator without any cost allocation to Transmission Provider.

If the Large Generating Facility fails to achieve Commercial Operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, the Affected System Operator and Interconnection Customer shall comply with the crediting and reimbursement policy of the Affected System Operator without any cost allocation to Transmission Provider.

11.4.2 Special Provisions for Affected Systems:

Interconnection Customer and Affected System Operator shall enter into an agreement that provides for compliance with the crediting policy or reimbursement obligations of the Affected System Operator without any such costs being allocated to or imposed upon Transmission Provider.

11.4.3 Reserved

11.5 Provision of Security:

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

In addition:

11.5.1:

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

11.5.2:

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

11.5.3:

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

11.6 Interconnection Customer Compensation:

If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power) or 13.5.1 of this LGIA,

Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition:

Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

Article 12: Invoice

12.1 General:

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

12.2 Final Invoice:

Within six months after completion of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an invoice of the final cost of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to

Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment:

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

12.4 Disputes:

In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute; provided however, if Interconnection Customer opts to utilize an escrow account Interconnection Customer shall be responsible for all administrative and financial obligations associated with setting up and maintaining the independent escrow account until resolution of the dispute without any involvement of or reimbursement by Transmission Provider. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accordance with the methodology set forth in FERC regulations at 18 C.F.R. § 35.19a(a)(2)(iii).

Article 13: Emergencies

13.1 Definition:

"Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case

of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by this LGIA to possess black start capability.

13.2 Obligations:

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

13.3 Notice:

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

13.4 Immediate Action:

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

13.5 Transmission Provider Authority:

13.5.1 General:

Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 Reduction and Disconnection:

Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good

Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority:

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

13.7 Limited Liability:

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

Article 14: Regulatory Requirements and Governing Law

14.1 Regulatory Requirements:

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

14.2 Governing Law:

14.2.1:

The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by and enforced in accordance with the laws of the State of California, as if executed and to be performed wholly within the State of California.

14.2.2:

This LGIA is subject to all Applicable Laws and Regulations.

14.2.3:

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

Article 15: Notices:

15.1 General:

Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

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

15.2 Billings and Payments:

Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice:

Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice:

Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16: Force Majeure

16.1 Force Majeure:

16.1.1:

A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence (which does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to the additional requirement of a Force Majeure Written Notice set forth in Article 16.1.2.

16.1.2:

A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall provide the Force Majeure Immediate Notice pursuant to Article 16.1.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance

or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set forth above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

Article 17: Default

17.1 Default:

17.1.1 General:

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

17.1.2 Right to Terminate:

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

Article 18: Indemnity, Consequential Damages and Insurance

18.1 Indemnity:

The Parties shall at all times indemnify, defend, and hold harmless the other Parties, their respective officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, death, bodily injury or personal injury to any person, damage or destruction to any property (financial, physical, or intellectual) by or to third parties (collectively, "Losses") arising by reason of or incident to or directly or indirectly related to the other Party's acts, errors or omissions, performance or non-performance or Breach of any of their obligations of or under this LGIA, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

18.2 Consequential Damages:

In no event shall either Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, business interruption, 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.

18.3 Insurance – Applicable Terms and Conditions:

18.3.1 Additional Insured Status Required:

Interconnection Customer shall procure at its own expense, and keep in effect at all times during the term of this Agreement, the types and amounts of insurance specified on the attached Contract Insurance Requirements page. The insurance shall also by specific endorsement(s) attached to such policies, include, the City of Los Angeles (the "City") Transmission Provider, its Board of Commissioners (hereinafter referred to as "Board"), and all of its officers, employees and agents, their successors and assigns, as Additional Insureds (except for Worker's Compensation) against the area of risk described herein as respects Interconnection Customer's acts or omissions in its performance of the agreement, hereunder or other related functions performed by or on behalf of Interconnection Customer. Such insurance shall not limit or qualify the liabilities and obligations of the

Interconnection Customer assumed under the contract.

18.3.2 Severability of Interests and Cross Liability Required:

Each specified insurance policy (other than Workers' Compensation and Employers' Liability and Property coverage) shall contain a Severability of Interest and Cross Liability clause which states in effect, "It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability," and a Contractual Liability Endorsement which shall state in effect, "Such insurance as is afforded by this policy shall also apply to liability assumed by the insured under this Agreement with the City of Los Angeles."

18.3.3 Primary and Non-Contributory Insurance Required:

All such insurance shall be Primary and Noncontributing with any other insurance held by Transmission Provider where liability arises out of or results from the acts or omissions of Interconnection Customer, its agents, employees, officers, assigns, or any person or entity acting for or on behalf of Interconnection Customer. Any insurance carried by Transmission Provider which may be applicable shall be deemed to be excess insurance and the Interconnection Customer's insurance is primary for all purposes despite any conflicting provision in the Interconnection Customer's policies to the contrary.

18.3.4 Deductibles Subject to Transmission Provider's Discretion:

Deductibles and/or self-insured retentions shall be at the sole discretion of the Transmission Provider's Risk Manager. The Transmission Provider shall have no liability for any premiums charged for such coverage(s). The inclusion of the Transmission Provider, its Board, and all of its officers, employees and agents, and their agents and assigns, as additional insureds, is not intended to, and shall not, make them, or any of them a partner or joint venturer with Interconnection Customer in its operations.

18.3.5 Proof of Insurance for Renewal or Extension Required:

At least thirty (30) days after the expiration date of any of the policies required on the attached Contract Insurance Requirement page, documentation showing that the insurance coverage has been renewed or extended shall be filed with the Transmission Provider. If such coverage is canceled or reduced in coverage,

Interconnection Customer shall, within fifteen (15) days of such cancellation or reduction of coverage, file with Transmission Provider evidence that the required insurance has been reinstated or provided through another insurance company or companies.

18.3.6 Submission of Acceptable Proof of Insurance and Notice of Cancellation:

Interconnection Customer shall provide proof to the Transmission Provider's Risk Manager of all specified insurance and related requirements using either an Acord certificate of insurance along with any required scheduled endorsements, or using the Transmission Provider's own endorsement form(s) or using other written evidence of insurance acceptable to the Transmission Provider's Risk Manager, but always in a form acceptable to the Transmission Provider's Risk Manager. The documents evidencing all specified coverages shall be filed with the Transmission Provider prior to Interconnection Customer beginning operations hereunder. Said proof shall contain at a minimum, the applicable policy number, the inclusive dates of policy coverages, the date the specified endorsement for the Transmission Provider was attached to a specific policy, and the insurance carrier's name. It shall provide that such insurance shall not be subject to cancellation, material reduction in a required coverage or non-renewal (other than for non-payment) except after written notice by first class mail or electronic mail to the Transmission Provider's Risk Manager at least (30) calendar days prior to the effective date thereof. The notification shall be sent by first class or electronic mail to:

The Risk Management Section,
Los Angeles Department of Water and Power,
Post Office Box 51111, JFB Room 465,
Los Angeles, California 90051-0100.
Riskmanagement.Risky@ladwp.com

18.3.7 Claims-Made Insurance Conditions:

Should any portion of the required insurance be on a "Claims Made" policy, the Interconnection Customer shall, at the policy expiration date following completion of work, provide evidence that the "Claims Made" policy has been renewed or replaced with the same limits, terms and conditions of the expiring policy, or that an extended three (3) years discovery period has been purchased on the expiring policy at least for the contract under which the work was performed.

18.3.8 Failure to Maintain and Provide as Cause for Termination:

Failure to maintain and provide acceptable evidence of the required insurance for the required period of coverage shall constitute a breach of contract, upon which Transmission Provider may immediately terminate or suspend the agreement.

18.3.9 Periodic Right to Review/Update Insurance Requirements:

The Transmission Provider and Interconnection Customer agree that the insurance policy limits specified on the attached Contract Insurance Requirements page may be reviewed for adequacy annually throughout the term of this Agreement by the Transmission Provider's Risk Manager/City Attorney, who may thereafter require Interconnection Customer to adjust the amounts and types of insurance coverage however the Transmission Provider's Risk Manager/City Attorney deems to be adequate and necessary. Transmission Provider reserves the right to have submitted to it, upon request, all pertinent information about the agent and carrier providing such insurance, including applicable license and ratings.

18.3.10 Specific Insurance Requirements:

See Attachment "Contract Insurance Requirements."

18.3.11 Sub-Contractor Compliance:

Interconnection Customer shall be responsible for all sub-contractors'. Interconnection Customer shall require all subcontractors performing any work to maintain insurance limits in accordance with Interconnection Customer's standard agreements with such subcontractors.

18.3.12 Limitation of Liability and Release:

TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

18.3.13 Reporting:

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

Article 19: Assignment

19.1 Assignment:

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

Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed. The General Manager of DWP, and/or his/her designee, is authorized to grant the consents contemplated by this Article 19.1 on behalf of LADWP.

Article 20: Severability

20.1 Severability:

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

Article 21: Comparability

21.1 Comparability:

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

Article 22: Confidentiality

22.1 Confidentiality:

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

22.1.1 Term:

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

22.1.2 Scope:

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

22.1.3 Release of Confidential Information:

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the

confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.1.4 Rights:

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

22.1.5 No Warranties:

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 Standard of Care:

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

22.1.7 Order of Disclosure:

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

to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 Termination of Agreement:

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

22.1.9 Remedies:

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

22.1.10 Disclosure to FERC, its Staff, or a State:

Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential

Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

22.1.11:

Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

22.1.12 CPRA, Brown Act:

In addition to the foregoing provisions under this Article 22, Interconnection Customer acknowledges that Transmission Provider is subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§6250 et seq. ("CPRA") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 et. seq. ("Brown Act"). Requests for information made directly to Transmission Provider pursuant to CPRA will be managed in a similar manner identified within Article 22.1.11. For purposes of the Brown Act, the Parties shall adhere to the provisions of Article 22.1 to maintain confidentiality.

Article 23: Environmental Releases

23.1:

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

Article 24: Information Requirements

24.1 Information Acquisition :

Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Transmission Provider:

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

24.3 Updated Information Submission by Interconnection Customer:

The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the

Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Cluster Study and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

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

24.4 Information Supplementation:

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

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

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

Article 25: Information Access and Audit Rights

25.1 Information Access:

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

25.2 Reporting of Non-Force Majeure Events:

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

25.3 Audit Rights:

Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider's efforts to allocate

responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods:

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

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

25.4.2 Audit Rights Period for All Other Accounts and Records:

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

25.5 Audit Results:

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

Article 26: Subcontractors

26.1 General:

Nothing in this LGIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and

conditions of this LGIA in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

26.2 Responsibility of Principal:

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

26.3 No Limitation by Insurance:

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

Article 27: Disputes

27.1 Submission:

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the LGIA, the LGIP, 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 Notice of Dispute shall not be deemed a waiver of the requirements of, nor construed as compliance with, California Government Code Section 910 et seq., or any successor statute.

Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA; provide that, any dispute arising out of or relating to this LGIA shall be brought in a state or federal

court in the County of Los Angeles in the State of California. Each Party irrevocably agrees to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens*.

27.2 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"); provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

27.3 Arbitration Decisions:

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the LGIA and LGIP and shall have no power to modify or change any provision of the LGIA and LGIP 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.

27.4 Costs:

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

Article 28: Representations, Warranties, and Covenants

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

28.1.1 Good Standing:

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

28.1.2 Authority:

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

28.1.3 No Conflict

The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 Consent and Approval

Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any

Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required byApplicable Laws and Regulations.

Article 29: Joint Operating Committee

29.1 Joint Operating Committee:

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

29.1.1:

Establish data requirements and operating record requirements.

29.1.2:

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

29.1.3:

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

29.1.4:

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

29.1.5:

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

29.1.6:

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

Article 30: Miscellaneous

30.1 Binding Effect:

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

30.2 Conflicts:

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

30.3 Rules of Interpretation:

This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document,

instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

30.4 Entire Agreement:

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

30.5 No Third-Party Beneficiaries:

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

30.6 Waiver:

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

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

30.7 Headings:

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

30.8 Multiple Counterparts:

This LGIA may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

30.9 Amendment:

The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.

30.10 Modification by the Parties:

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

30.11 Reserved:

30.12 No Partnership:

This LGIA shall not be interpreted or construed to create an association, joint

venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

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

**DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS**

By:_____
General Manager

Date: _____

And: _____
Board Secretary

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

APPENDIX A TO LGIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades:

1: Interconnection Facilities

(a): [insert Interconnection Customer's Interconnection Facilities]

(b): [insert Transmission Provider's Interconnection Facilities]

2: Network Upgrades

(a): [insert Stand Alone Network Upgrades]:

(b): [insert Other Network Upgrades]:

3: Distribution Upgrades:

APPENDIX B TO LGIA

Milestones

APPENDIX C TO LGIA

Interconnection Details:

1: Interconnection Details

(a): [insert Interconnection Details]

2: Control Technologies and Protection Systems

(a): [insert control technologies and protection systems]

3: Actions and Obligations When Output Is Exceeding the Interconnection Service Level

If the Generating Facility is exceeding its contracted Level of Interconnection Service, Transmission Provider will contact the Generator Operator and/or Generating Facility's Balancing Authority and issue an Operating Instruction to return the output to the contracted Level of Interconnection Service. If the Generator Operator and/or Generating Facility's Balancing Authority has not begun to reduce the Generating Facility's output to the contracted Level of Interconnection Service within the time period specified in the Operating Instruction, Transmission Provider can take action up to and including disconnection of the Generating Facility from the Transmission System at the Point of Interconnection.

APPENDIX D TO LGIA

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect that all Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

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APPENDIX E TO LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

[Date]

[Transmission Provider Address]

Re: _____ Large Generating Facility

Dear _____:

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

Thank you.

[Signature]

[Interconnection Customer Representative]

APPENDIX F TO LGIA
Addresses for Delivery of Notices and Billings

Notices:

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Billings and Payments:

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

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

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

APPENDIX G:
INTERCONNECTION REQUIREMENTS FOR A NON-SYNCHRONOUS GENERATING PLANT

Appendix G sets forth requirements and provisions specific to a Non-Synchronous generating plant. All other requirements of this LGIA continue to apply to Non-Synchronous generating plant interconnections

A: Technical Standards Applicable to a Wind Generating Plant

Low Voltage Ride-Through (LVRT) Capability:

A Non-Synchronous 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.

Post-transition Period LVRT Standard

All Non-Synchronous generating plants subject to FERC Order No. 661 and covered by the transition period described above must meet the following requirements:

1. Non-Synchronous 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 Non-Synchronous generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the Non-Synchronous 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 Non-Synchronous generating plant may disconnect from the transmission system. A Non-Synchronous 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 Non-Synchronous "GSU".

2. This requirement does not apply to faults that would occur between the Non-Synchronous generator terminals and the high side of the GSU.

3. Non-Synchronous generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Non-Synchronous 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 Non-Synchronous generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

i. Power Factor Design Criteria (Reactive Power):

The following reactive power requirements apply only to a newly interconnecting wind generating plant that has executed a Facilities Study Agreement as of the effective date the Final Rule establishing the reactive power requirements for non-synchronous generators in section 9.6.1 of this LGIA (Order No. 827). A Non-Synchronous generating plant to which this provision applies shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, if the Transmission Provider's Cluster Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the Non-Synchronous plant is in operation. Non-Synchronous 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.

ii. Supervisory Control and Data Acquisition (SCADA) Capability:

The Non-Synchronous plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the Non-Synchronous plant Interconnection Customer shall determine what SCADA information is essential for the proposed Non-Synchronous 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.

APPENDIX 7 TO LGIP

INTERCONNECTION PROCEDURES FOR A

NON-SYNCHRONOUS GENERATING FACILITY

This appendix sets forth procedures specific to all Non-Synchronous generating facilities. All other requirements of this LGIP continue to apply to interconnections of Non-Synchronous facilities

A. Special Procedures Applicable to Non-Synchronous Generation Facilities

The Interconnection Customer, in completing the Interconnection Request required by section 3.3 of this LGIP, may provide to the Transmission Provider a set of preliminary electrical design specifications depicting the Non-Synchronous generating facility in terms of its megawatt output (MW or real power). Upon satisfying these and other applicable Interconnection Request conditions, the Non-Synchronous generating facility 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 Interconnection Customer must submit the following: (i) completed detailed electrical design specifications; (ii) a WECC approved standard study model (standard model) if available. If the standard model for a given technology is not yet available, then the Interconnection Customer can provide vendor-specific, user-written or an equivalent model with a source code algorithm in General Electric's Engineer Programming Control Language (EPCL) that can be compiled at run time by Power System Load Flow (PSLF) platform's internal compiler; however, once a standard model becomes available, the Interconnection Customer should begin furnishing such standard model; and (iii) other data (including collector system layout data) needed to allow the Transmission Provider to complete the Cluster Study. If Non-Synchronous facility uses momentary cessation, considerations should be made to eliminate momentary cessation. If eliminating momentary cessation is not a feasible solution the model submitted must reasonably represent the momentary cessation according to WECC and NERC guidelines. Interconnection customer shall provide a model that reasonably represent the facility according to WECC guidelines 90 days prior to in service date and an "as-built" model for Non-Synchronous facility prior to Commercial Operation Date.

Attachment A to Appendix 7
Interconnection Data for
Non-Synchronous Generating Plants

Solar Photovoltaic (PV) Specifications

Technologies: ___Thin Film PV ___Monocrystalline PV ___Polycrystalline PV ___Other (Specify below)

_____

Manufacturer, Model Name, and Number_____
Total Number of PV Panels _____
Rated Maximum Power Output (kW) _____Summer _____Winter
Nominal Voltage (DC) _____V

Wind Specifications

Technologies: ___Type I ___Type II ___Type III ___Type IV
Other (Specify below)

_____

Manufacturer, Model Name, and Number_____
Total Number of turbines _____
Rated Maximum Power Output (kW) _____Summer _____Winter
Nominal Voltage (DC) _____V

Energy Storage Specifications

Technologies: _____
Duration _____hrs
If Project is PV and Storage: DC Coupled___ AC Coupled_____
Rated Maximum Power Output (kW) _____Summer _____Winter
Nominal Voltage (DC) _____V

OATT Effective [Insert]

Inverter Specifications

Manufacturer, Model Name, and Number_____
Version Number_____
Total Number of Inverters _____
Voltage (DC) Input Range _____V
Maximum Voc (DC) _____V
Number of Phases _____
AC Voltage Range _____V
Maximum Output Current per Phase _____A
Maximum Continuous Output Power _____kW
Nominal Output Frequency _____Hz
Power Factor _____
Total Harmonic Distortion (THD) _____%
Momentary Cessation used _____
High Voltage Momentary Cessation threshold _____pu
Low Voltage Momentary Cessation threshold _____pu
Time delay before inverter begins injecting current after momentary cessation, once the voltage has returned to within the momentary cessation voltage threshold
_____(milliseconds)
Ramp rate when recovering from momentary cessation _____(%nameplate rating/sec)

High-Voltage Ride-Through (HVRT)		Low-Voltage Ride-Through (LVRT)	
Voltage (pu)	Time Delay (sec)	Voltage (pu)	Time Delay (sec)

High-Frequency Ride-Through (HFRT)		Low-Frequency Ride-Through (LFRT)	
Frequency (Hz)	Time Delay (sec)	Frequency (Hz)	Time Delay (sec)

Isolation Transformer Specifications

Low Side and High Side Voltages _____/_____kV
MVA Base _____MVA Continuous Rating _____MVA
Emergency Rating _____MVA Reactance _____% or _____ p.u
Transformer Connection _____ Number of Transformers _____

Equipment Certifications

List the above components of the Solar Facility that are currently certified:

Equipment Type Certifying Entity
1._____ _____
2._____ _____
3._____ _____

Certification and Standards

1. IEEE Std 519-2014, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems.
2. UL 1703 Standard for Safety, Flat-Plate Photovoltaic Modules and Panels
3. UL 1741 Standard for Inverters, Converters, and Controllers for Use in Independent Power Systems
4. IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV) Systems.

ATTACHMENT M-1

Process for Transitioning to "First-Ready, First-Served" Interconnection Queue Procedures

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1. SCOPE AND APPLICATION OF ATTACHMENT M-1

Section 1.1: Scope of Transition Process

All Small Generating Facility Interconnection Requests and Large Generating Facility Interconnection Requests received and pending by the end of the first full calendar quarter following the Effective Date of this Attachment M-1 (the "Transition Close Date") will be processed under this Attachment M-1. This Attachment M-1 sets forth the procedures by which Transmission Provider will process, including in a cluster study ("Transition Cluster Study") or cluster re-study ("Transition Cluster Re-Study"), any Interconnection Request from a Small Generating Facility Interconnection Request subject to study under Attachment N of Transmission Provider's OATT or Large Generating Facility Interconnection Request received by the Transition Close Date (collectively, "Transition Requests"). Small Generating Facility Interconnection Requests or Large Generating Facility Interconnection Requests received between the Transition Close Date and the effective date of this Attachment M-1 ("Effective Date") shall be deemed submitted within the first Cluster Request Window following completion of the Transition Cluster Study process in this Attachment M-1, and shall be processed pursuant to Attachment M or Attachment N, as applicable. Small Generating Facility and Large Generating Facility Interconnection Requests received after the Effective Date shall be processed pursuant to Attachment M or Attachment N, as applicable.

Section 1.2: Transition Cluster Study Eligibility

All Transition Requests shall be subject to the provisions of this Attachment M-1.

Section 1.2.1: Late-Stage Transition Requests

An Interconnection Customer with a Transition Request that, as of thirty (30) Business Days after the Transition Close Date, is at or beyond the point in the interconnection process when it has been tendered a Facilities Study Agreement but has not executed an LGIA or, as applicable, SGIA, ("Late-Stage Transition Request") shall not be required to enter the Transition Cluster process conducted pursuant to Sections 2 - 4 of this Attachment M-1. Late-Stage Transition Requests may either: (a) continue through the remaining Facilities Study and interconnection agreement execution phases of this Attachment M-1; or (b) opt into the Transition Cluster process performed under Sections 2 - 4 of this Attachment M-1 by notifying Transmission Provider in writing no later than sixty (60) Business Days after the Transition Close Date and meeting the requirements in Section 2. Late-Stage Transition Requests electing to opt into the Transition Cluster process shall forfeit and/or terminate as appropriate any previous interconnection study results or interconnection study agreements, or previously tendered but unexecuted LGIA or

SGIA. For Late-Stage Transition Requests that elect to continue through the remaining Facilities Study and interconnection agreement execution phases of this Attachment M-1, i.e., elect not to join the Transition Cluster, the Interconnection Customer must provide: (a) a demonstration of Site Control pursuant to Section 2.1.2 of this Attachment M-1; and, in the case of a Large Generator Interconnection Request only, (b) a demonstration of a Readiness Milestone option in Sections 2.1.1(b) or 2.1.1(c) of this Attachment M-1. Each demonstration required by the previous sentence for a Late-Stage Transition Request must be made before Transmission Provider will tender an LGIA or SGIA for execution, but made upon the later of ninety (90) Business Days after the Transition Close Date. Any Late-Stage Transition Requests that fail to meet the requirements of this Section 1.2.1 shall be deemed withdrawn.

Section 1.3: Relationship to LGIP and SGIP

Except as otherwise provided in, or modified by, this Attachment M-1, Attachment M and, in the case of Small Generating Facilities, Attachment N, shall apply to Transition Requests.

Section 1.4: Defined Terms

Unless otherwise indicated in this Attachment M-1, capitalized terms used in this Attachment M-1 shall have the definitions set forth in Attachment M, Section 1 and, in the case of Small Generating Facilities, the definitions set forth in Attachment N.

2. PROCESSING OF TRANSITION REQUESTS

Section 2.1: Transition Cluster Study Eligibility: Readiness Milestones, Site Control, and Additional Study Deposit

To be eligible for inclusion in a Transition Cluster Study, a Transition Request must satisfy the requirements of this Section 2.1 (except Section 2.1.1) by no later than sixty (60) Business Days after the Transition Close Date, subject to the Interconnection Customer's opportunity to correct identified deficiencies pursuant to Section 2.2 ("the Transition Readiness Deadline").

Notwithstanding Attachment M, Section 3.4, Interconnection Customer shall promptly inform Transmission Provider of any material change to Interconnection Customer's demonstration, or continuing demonstration, of Site Control under Section 2.1.2 or satisfaction of a Readiness Milestone Option under Section 2.1.1 that has already been previously demonstrated. Upon Transmission Provider determining separately that

Interconnection Customer fails to continue demonstrating Site Control once initially demonstrated, or fails to meet a previously demonstrated Readiness Milestone Option under Section 2.1.1, Transmission Provider shall give Interconnection Customer ten (10) Business Days to demonstrate satisfaction with the applicable requirement to Transmission Provider's satisfaction. Absent such demonstration, Transmission Provider will deem the subject Interconnection Request withdrawn.

Section 2.1.1: Readiness Criteria Applicable to Transition Requests for Large Generating Facilities

By no later than the Transition Readiness Deadline, Interconnection Customer with a Large Generating Facility Transition Request eligible for inclusion in a Transition Cluster Study must submit to the Transmission Provider sufficient evidence of one of the following Readiness Milestone Options totaling the entire capacity of the Generating Facility (or requested Interconnection Service amount if the requested Interconnection Service is less than the Generating Facility Capacity in the case of Large Generating Facility Transition Requests only) that is the subject of the Transition Request:

(a) Executed term sheet (or comparable evidence) related to a contract for sale of (i) the constructed Generating Facility to a load-serving entity or to a commercial, industrial, or other large end-use customer, (ii) the Generating Facility's energy where the term of sale is not less than five (5) years, or (iii) the Generating Facility's ancillary services if the Generating Facility is an electric storage resource where the term of sale is not less than five (5) years;

(b) Executed contract binding upon the parties for sale of (i) the constructed Generating Facility to a load-serving entity or to a commercial, industrial, or other large end-use customer, (ii) the Generating Facility's energy where the term of sale is not less than five (5) years, or (iii) the Generating Facility's ancillary services if the Generating Facility is an electric storage resource where the term of sale is not less than five (5) years; or

(c) Reasonable evidence that the Generating Facility has been selected in a Resource Plan or Resource Solicitation Process by or for a load-serving entity, or is being developed for purposes of a sale to a commercial, industrial, or other large end-use customer.

For the avoidance of doubt, the additional readiness criteria under Attachment M, Section 3.4.1(v) do not apply to Transition Requests under this Attachment M-1.

Section 2.1.2: Site Control

Interconnection Customers with Transition Requests for Small Generating Facilities shall demonstrate Site Control pursuant to Attachment N.

Interconnection Customers with Transition Requests for Large Generating Facilities shall either:

(a) post a deposit of $10,000, or

(b) demonstrate Site Control as defined in Attachment M. Specifications for acceptable site size for the purposes of demonstrating Site Control are posted on Transmission Provider's OASIS website. Interconnection Customer may propose alternative specifications for site size to those posted on OASIS for Transmission Provider approval. In the event Transmission Provider and Interconnection Customer cannot reach agreement related to adequacy of site size, Transmission Provider will accept a Professional Engineer (licensed in the state of the Point of Interconnection) stamped site plan drawing that depicts the proposed generation arrangement and specifies the maximum facility output for that arrangement. Deposits posted in accordance with this Section 2.1.2 shall be applied toward any Interconnection Studies for the Transition Request.

Section 2.1.3: No Additional Cluster Study Deposits

Other than deposits provided in accordance with Section 2.1.2 of this Attachment M-1, Transmission Provider shall not assess any additional study deposits for Transition Requests entering the Transition Cluster Studies. Consistent with Section 3.2, Interconnection Customer with a Transition Request shall be responsible for its allocable share of actual Transition Cluster Study costs, and restudy costs if applicable.

Section 2.1.4: Definitive Point(s) of Interconnection Designation

If not designated already, Interconnection Customer with a Transition Request must designate a definitive Point of Interconnection to be studied in the Transition Cluster study.

Section 2.1.5: Interconnection Service Type Designation

If not designated already, Interconnection Customer with a Transition Request must designate either Energy Resource Interconnection Service or Network Resource

Interconnection Service to be studied in the Transition Cluster Study. 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 of five (5) Business Days after the initial Cluster Study Report Meeting held under this Attachment M-1, Section 3.6. Interconnection Customer may then elect to proceed with Network Resource Interconnection Service or to proceed under a lower level of interconnection service to the extent that only certain upgrades will be completed.

Section 2.1.6: Completed and Updated Interconnection Request Form

Interconnection Customer with a Transition Request must provide the applicable Interconnection Request form, such as Appendix 1 to the LGIP, with all information updated as of the submittal.

Section 2.2: Deficiencies Curable by Transition Readiness Deadline

If an Interconnection Request fails to meet the requirements set forth in Sections 2.1.2, 2.1.4, 2.1.5 or 2.1.6 by no later than sixty (60) Business Days after the Transition Close Date, Transmission Provider shall notify the Interconnection Customer within fifteen (15) Business Days of such failure. Interconnection Customer shall provide Transmission Provider the additional requested information needed to satisfy the requirements of Section 2.1 by no later than the Transition Readiness Deadline. Transition Requests that do not meet the requirements in Section 2.1 of this Attachment M-1 by the Transition Readiness Deadline shall be deemed withdrawn.

3. TRANSITION REQUEST CLUSTER STUDIES

Section 3.1: Transition Cluster Preparation

Within five (5) Business Days following the Transition Readiness Deadline, Transmission Provider shall post on its OASIS site a list of all Transition Requests to be included in the Transition Cluster Study.

Within ten (10) Business Days of the Transition Readiness Deadline, Transmission Provider shall hold a scoping meeting, consistent with the process described in Attachment M, Section 3.3.4, with all Transition Requests to be studied in the Transition Cluster.

All Transition Requests that meet the requirements of Section 2.1 of this Attachment M-1 by the Transition Readiness Deadline and that have executed a Cluster Study Agreement in the form of Appendix 3 to the Transmission Provider's LGIP shall be included in that

Transition Cluster Study. Any Transition Requests that do not meet the requirements of Section 2 to be eligible to enter the Transition Cluster Study or that are undergoing Dispute Resolution as of the Transition Readiness Deadline shall not be included in the Transition Cluster.

Section 3.2: Transition Request Cluster Study Agreement

Unless otherwise agreed, by no later than five (5) Business Days following the Transition Readiness Deadline, Transmission Provider shall provide to Interconnection Customer a Cluster Study Agreement in the form of Appendix 3 to Transmission Provider's LGIP. Pursuant to the Cluster Study Agreement, the Interconnection Customer shall compensate Transmission Provider for the actual costs of the Transition Cluster Study in accordance with the Study Cost Allocation methodology in Attachment M, Section 4.2.2, net of any remaining study deposits already provided by the applicable Interconnection Customer prior to the Effective Date. Along with the Cluster Study Agreement, Transmission Provider shall provide to Interconnection Customer a non-binding updated good faith estimate of the cost for completing the Transition Cluster Study.

Section 3.3: Execution of Transition Cluster Study Agreement

Interconnection Customer shall execute and return the Cluster Study Agreement to Transmission Provider no later than fifteen (15) Business Days after the Transition Readiness Deadline. If the Interconnection Customer elects not to execute the Transition Cluster Study Agreement, its Interconnection Request shall be deemed withdrawn.

Section 3.4: Conducting the Transition Cluster Studies

Transmission Provider may conduct separate Transition Cluster Studies for different electrically relevant areas as set forth in this Section 3.4 and its subsections. After all Interconnection Customers in the Transition Cluster that have met the requirements of Section 2.1 of this Attachment M-1 have executed Cluster Study Agreements or the time period for such execution under Section 3.3 has lapsed, the Transmission Provider will commence the Transition Cluster Studies and perform such Transition Cluster Studies pursuant to the procedures in Attachment M, Sections 7.4 and 7.5.

Section 3.4.1: Use of Cluster Areas

Transmission Provider may segment and perform the Transition Cluster Studies according to geographically and electrically relevant areas on the Transmission Provider's Transmission System ("Cluster Area") in the manner described in Attachment M, Section 7.4.

Section 3.4.2: Scope of Transition Request Cluster Study

The Transition Cluster Study shall have the same scope as the scope of the Cluster System Impact Study, as set forth in Attachment M, Section 7.3.

Transmission Provider shall use Reasonable Efforts to complete the Transition Cluster Study no later than one hundred-fifty (150) Calendar Days after the Transition Readiness Deadline.

Section 3.5: Allocation of Transmission Provider's Interconnection Facilities and Network Upgrade Costs Within Transition Cluster Studies

Except as may be modified in Section 3.7 in this Attachment M-1, for Transmission Provider's Interconnection Facilities and Network Upgrades identified in Transition Cluster Study, Transmission Provider shall calculate the share of costs for each Interconnection Customer within the Transition Cluster in accordance with the allocation methodology in Attachment M, Section 4.2.3.

Section 3.6: Transition Request Cluster Study Report and Meeting with Transmission Provider

Transmission Provider will publish a report following the completion of the Transition Cluster Study ("Transition Cluster Study Report"). Within ten (10) Business Days of furnishing Transition Cluster Study Report or, if a Transition Re-Study was required pursuant to the procedures in Attachment M, Section 7.5(c) a re-study report ("Cluster Re-Study Report"), to Interconnection Customers and posting such report on OASIS, Transmission Provider shall convene an open meeting to discuss the study results ("Cluster Study Report Meeting" or "Cluster Re-Study Report Meeting"). Transmission Provider shall, upon request, also make itself available to meet with individual Interconnection Customers after the report is provided.

4. RE-STUDIES

If Re-Study of the Transition Cluster Study is required due to a project from Transition Cluster dropping out, or a modification of a higher queued project subject to Attachment M, Section 7.5, Transmission Provider shall notify Interconnection Customer(s) in writing. The Transmission Provider shall make Reasonable Efforts to ensure such Re-Study takes no longer than one hundred fifty (150) Calendar Days from the date of notice. Any cost of Re-Study shall be borne by Interconnection Customer(s) being re-studied in accordance with Section 3 of this Attachment M-1.

5. INTERCONNECTION FACILITIES STUDIES FOR TRANSITION REQUESTS

Section 5.1: Increased Readiness Showing

Except for Late-Stage Transition Requests electing not to enter a Transition Cluster, which are subject to separate readiness requirements under Section 1.2.1 of this Attachment M-1, before a Transition Request can proceed to the Facilities Study phase, the applicable Interconnection Customer must make an enhanced readiness showing as set forth in Section 5.2 of this Attachment M-1.

Section 5.2: Facilities Studies

Transmission Provider will conduct a separate Facilities Study for each Transition Request. Simultaneously with the issuance of the Transition Cluster Study Report, or Transition Cluster Re-Study Report if any, Transmission Provider shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 4 to the LGIP, or Attachment N, as applicable. The Interconnection Facilities Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection Facilities Study. Within ten (10) Business Days following the Cluster Study Report Meeting or, as applicable Cluster Re-Study Report meeting, 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:

a) Any required technical data;

b) A demonstration of Site Control pursuant to Section 2.1.2(b) of this Attachment M-1 (for Large Generating Facility Transition Requests only); and

c) Demonstration of a Readiness Milestone option in Section 2.1.1(b) or (c) of this Attachment M-1 (for Large Generating Facility Transition Requests only).

Interconnection Customers that fail to timely return an executed Interconnection Facilities Study Agreement or fail to satisfy the requirements of this Section 5.2 and its subparts will be deemed withdrawn. Withdrawal of Interconnection Requests at this stage may trigger a Cluster Re-Study.

Section 5.3: Other Facility Study Procedures

Except as otherwise provided in this Section 5, Interconnection Customer and Transmission Provider shall follow the procedures governing Facility Studies in Attachment M for Large Generating Facilities, or, in the case of Small Generating Facilities, Attachment N.

6. LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA) AND SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA)

Interconnection Customer and Transmission Provider shall follow the procedures governing Large Generator Interconnection Agreements in Attachment M or, in the case of Small Generating Facilities, Attachment N.

7. WITHDRAWAL

Interconnection Customer may withdraw its Transition 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 Attachment M-1 or the LGIP (as applicable), except as provided in Attachment M, Section 13.5 (Disputes), Transmission Provider shall deem the Transition 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.

An Interconnection Customer that withdraws or is deemed to have withdrawn its Transition Request shall pay to Transmission Provider all costs that Transmission Provider prudently incurs with respect to that Transition 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. The additional Withdrawal Penalties under Attachment M will not apply to withdrawn Transition Requests.

ATTACHMENT N

Small Generator Interconnection Procedures

LOS ANGELES DEPARTMENT OF WATER AND POWER

Small Generator Interconnection Procedures (SGIP)

(For Generating Facilities No Larger Than 20 MW)

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Small Generator Interconnection Procedures (SGIP)

(For Generating Facilities No Larger Than 20 MW)

SECTION 1: APPLICATION FOR SMALL GENERATING FACILITY INTERCONNECTIONS

1.1: Applicability

1.1.1: A request to interconnect a Small Generating Facility no larger than 20 megawatts (MW) shall be evaluated under the section 3 Study Process. If the Interconnection Customer wishes to interconnect its Small Generating Facility using Network Resource Interconnection Service, it must do so under the Standard Large Generator Interconnection Procedures and execute the Standard Large Generator Interconnection Agreement. Small Generating Facilities that are subject to the study process in Section 3 shall be required to participate in Transmission Provider's Cluster process pursuant to Section 7 of Attachment M, except as otherwise provided in Section 3. This process does not cover interconnections to any facilities on the Transmission Provider's system that are rated 100 kV and below.

1.1.2: Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of these procedures.

1.1.3: Except as otherwise provided in Attachment M-1 of the Transmission Provider's Tariff, neither these procedures nor the requirements included hereunder apply to Small Generating Facilities interconnected or approved for interconnection prior to 60 Business Days after the effective date of these procedures.

1.1.4: Prior to submitting its Interconnection Request (Attachment 2), the Interconnection Customer may ask the Transmission Provider's interconnection contact employee or office whether the proposed interconnection is subject to these procedures. The Transmission Provider shall respond within 15 Business Days.

1.1.5: 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 authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.

1.1.6: References in these procedures to interconnection agreement are to the Small Generator Interconnection Agreement (SGIA).

1.2: Pre-Application

1.2.1: The 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 the 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 the Transmission Provider's Internet web site. Electric system information provided to the Interconnection Customer should include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on the Transmission Provider's Transmission System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. The 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 $300 for a pre-application report on a proposed project at a specific site. The Transmission Provider shall provide the pre-application data described in section 1.2.3 to the Interconnection Customer within 20 Business Days of receipt of the completed request form and payment of the $300 fee. The pre-application report produced by the Transmission Provider is non- binding, does not confer any rights, and the Interconnection Customer must still successfully apply to interconnect to the Transmission Provider’s system. The written pre-application report request form shall include the information in sections 1.2.2.1 through 1.2.2.8 below to clearly and sufficiently identify the location of the proposed Point of Interconnection.

1.2.2.1: Project contact information, including name, address, phone number, and email address.

1.2.2.2: Project location (street address with nearby cross streets and town)

1.2.2.3: Meter number, pole number, or other equivalent information identifying proposed Point of Interconnection, if available.

1.2.2.4: Generator Type (e.g., solar, wind, combined heat and power, etc.)

1.2.2.5: Size (alternating current kW)

1.2.2.6: Single or three phase generator configuration

1.2.2.7: Stand-alone generator (no onsite load, not including station service – Yes or No?)

1.2.2.8: 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.

1.2.3: Using the information provided in the pre-application report request form in section 1.2.2, the Transmission Provider will identify the substation/area bus, bank or circuit likely to serve the proposed Point of Interconnection. This selection by the 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. The 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:

1.2.3.1: 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.

1.2.3.2: 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.

1.2.3.3: 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.

1.2.3.4: 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).

1.2.3.5: Substation nominal distribution voltage and/or transmission nominal voltage if applicable.

1.2.3.6: Nominal distribution circuit voltage and/or transmission circuit voltage at the proposed Point of Interconnection.

1.2.3.7: Approximate circuit distance between the proposed Point of Interconnection and the substation.

1.2.3.8: Relevant line section(s) actual or estimated peak load and minimum load data.

1.2.3.9: 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.

1.2.3.10: Number of phases available at the proposed Point of Interconnection. If a single phase, distance from the three-phase circuit.

1.2.3.11: Limiting conductor ratings from the proposed Point of Interconnection to the substation.

1.2.3.12: Whether the Point of Interconnection is located on a spot network, grid network, or radial supply.

1.2.3.13: 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.

1.2.4: The pre-application report need only include existing data. A pre- application report request does not obligate the Transmission Provider to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the Transmission Provider cannot complete all or some of a pre-application report due to lack of available data, the Transmission Provider shall provide the 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, the 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

The Interconnection Customer shall submit its Interconnection Request to the Transmission Provider, together with the processing fee or deposit specified in the Interconnection Request. The Interconnection Request shall be date- and time-stamped upon receipt. The original date- and time- stamp applied to the Interconnection Request at the time of its original submission shall be accepted as the qualifying date- and time-stamp for the purposes of any timetable in these procedures. The Interconnection Customer shall be notified of receipt by the Transmission Provider within three Business Days of receiving the Interconnection Request. The Transmission Provider shall notify the Interconnection

Customer within ten 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, the 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, including if Transmission Provider identifies issues with technical data provided by an Interconnection Customer subject to study pursuant to Section 3. The 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, provided that Interconnection Customers subject to study under Section 3 shall provide such additional listed information by no later than the close of the Cluster Request Window. If the 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 the Transmission Provider.

1.4: Modification of the Interconnection Request

Any modification to machine data or equipment configuration or to the interconnection site of the Small Generating Facility not agreed to in writing by the Transmission Provider and the 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.

1.5: Site Control

Documentation of site control must be submitted with the Interconnection Request. Site control may be demonstrated through:

1.5.1: Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generating Facility;

1.5.2: An option to purchase or acquire a leasehold site for such purpose; or

1.5.3: An exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy a site for such purpose.

1.6: Queue Position

The Transmission Provider shall assign a Queue Position based upon the date- and time-stamp of the Interconnection Request. Except as otherwise noted in Section 3, the Queue Position of each Interconnection Request will be used to determine the cost responsibility

for the Upgrades necessary to accommodate the interconnection. The Transmission Provider shall maintain a single queue per geographic region. Except as otherwise noted in Section 3, at the Transmission Provider's option, Interconnection Requests may be studied serially or in clusters pursuant to Section 7 of Attachment M.

1.7: Interconnection Requests Submitted Prior to the Effective Date of the SGIP

Nothing in this SGIP affects an Interconnection Customer's Queue Position assigned before the effective date of this SGIP. The Parties agree to complete work on any interconnection study agreement executed prior the effective date of this SGIP in accordance with the terms and conditions of that interconnection study agreement. Notwithstanding the proceeding two sentences, Interconnection Customer with a Transition Request, as defined in Attachment M-1 of Transmission Provider's OATT and subject to the eligibility requirements reflected therein, shall be included in the Transition Cluster Study if the Small Generating Facility (1) is larger than 2 MW but no larger than 20 MW or (2) is not certified.

SECTION 2: RESERVED

SECTION 3: STUDY PROCESS

3.1: Applicability

The Study Process shall be used by an Interconnection Customer proposing to interconnect its Small Generating Facility with the Transmission Provider's Transmission System if the Small Generating Facility (1) is larger than 2 MW but no larger than 20 MW or (2) is not certified. Such projects shall be studied by Transmission Provider in accordance with the Cluster Study process discussed in Section 6 of Transmission Provider's Attachment M, as further modified below for purposes of Small Generating Facilities.

3.2: Informational Studies for Small Generating Facilities

Small Generating Facilities Eligible for study under this Section 3 may submit a reasonable number of requests for Informational Interconnection Studies, provided that such requests shall be submitted pursuant to the procedures in Section 6 of Transmission Provider's Attachment M. Transmission Provider shall process such requests pursuant to Section 6 of Attachment M.

3.3: Scoping Meeting

3.3.1: A scoping meeting will be held in accordance with the procedures set forth in Section 3.3.4 and Section 7 of Attachment M.

3.3.2: Transmission Provider shall provide the Interconnection Customer a Cluster Study Agreement in the form of Appendix 3 to Attachment M, consistent with the procedures set forth in Section 7.1 of Attachment M.

3.4: Cluster Study

3.4.1: Except as otherwise noted in this Section 3, Transmission Provider shall study the Interconnection Request pursuant to Cluster Study procedures in Section 7 of Attachment M, including any Cluster Re-Studies as may be required under those procedures.

3.4.2: Interconnection Customer shall be required to pay its share of Cluster Study costs and Transmission Provider's Interconnection Facilities and Network Upgrade Costs as allocated by the Transmission Provider pursuant to Sections 4.2.2 and 4.2.3 of Attachment M, respectively. Any invoices issued for such Cluster Study costs shall credit to Interconnection Customer any deposits or application fees paid pursuant to Section 1.

3.4.3: If the Scoping Meeting shows no potential for transmission system or Distribution System adverse system impacts, the Transmission Provider shall send the Interconnection Customer either a facilities study agreement (Attachment 8), including an outline of the scope of the study and a non- binding good faith estimate of the cost to perform the study, or an executable interconnection agreement, as applicable.

3.4.4: Where transmission systems and Distribution Systems have separate owners, such as is the case with transmission-dependent utilities ("TDUs") – whether investor-owned or not – the Interconnection Customer may apply to the nearest Transmission Provider (Transmission Owner, Regional Transmission Operator, or Independent Transmission Provider) providing transmission service to the TDU to request project coordination. Affected Systems shall participate in the study and provide all information necessary to prepare the study.

3.5: Facilities Study

3.5.1: Simultaneously with the delivery of the final Cluster Study Report, or Cluster Re-Study Report if any, Transmission provider shall provide Interconnection Customer with a Facilities Study Agreement including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study.

3.5.2: In order to remain under consideration for interconnection, or, as appropriate, in the Transmission Provider's interconnection queue, the Interconnection Customer must return the executed facilities study agreement or a request for an extension of time within 30 Business Days.

3.5.3: The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the Cluster Study.

3.5.4: Design for any required Interconnection Facilities and/or Upgrades shall be performed under the facilities study agreement. The Transmission Provider may contract with consultants to perform activities required under the facilities study agreement. The Interconnection Customer and the Transmission Provider may agree to allow the Interconnection Customer to separately arrange for the design of some of the Interconnection Facilities. In such cases, facilities design will be reviewed and/or modified prior to acceptance by the Transmission Provider, under the provisions of the facilities study agreement. If the Parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, the Transmission Provider shall make sufficient information available to the Interconnection Customer in accordance with confidentiality and critical infrastructure requirements to permit the Interconnection Customer to obtain an independent design and cost estimate for any necessary facilities.

3.5.5: A deposit of the good faith estimated costs for the facilities study may be required from the Interconnection Customer.

3.5.6: The scope of and cost responsibilities for the facilities study are described in the attached facilities study agreement.

3.5.7: Upon completion of the facilities study, and with the agreement of the Interconnection Customer to pay for Interconnection Facilities and Upgrades identified in the facilities study, the Transmission Provider shall provide the Interconnection Customer an executable interconnection agreement within five Business Days.

3.6: Restudies

Small Generating Facilities that are studied for Interconnection to the Transmission Provider's Transmission System pursuant to this Section 3 shall be subject to the restudy provisions in Section 7.5 and 8.5 of Attachment M.

SECTION 4: PROVISIONS THAT APPLY TO ALL INTERCONNECTION REQUESTS

4.1: Reasonable Efforts

The Transmission Provider shall make reasonable efforts to meet all time frames provided in these procedures unless the Transmission Provider and the Interconnection Customer agree to a different schedule. If the Transmission Provider cannot meet a deadline provided herein, it shall notify the 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: The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.

4.2.2: In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute. Such Notice of Dispute shall not be deemed a waiver of the requirements of, nor construed as compliance with, California Government Code Section 910 et seq., or any successor statute.

4.2.3: 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.

4.2.4: 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 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"); provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 4.2, the terms of this Article 4.2 shall prevail.

4.2.5: Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this interconnection process and shall have no power to modify or change any provision of this interconnection process 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.

4.2.6: 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.

4.2.7: If the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of these procedures; provided that, any dispute arising out of or relating to this interconnection process shall be brought in a state or federal court in the County of Los Angeles in the State of California. Each Party irrevocably agrees to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens.*

4.3: Interconnection Metering

Any metering necessitated by the use of the Small Generating Facility shall be installed at the Interconnection Customer's expense in accordance with North American Electric Reliability Corporation, state, or local regulatory requirements or the Transmission Provider's specifications.

4.4: Commissioning

Commissioning tests of the Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. The Transmission Provider must be given at least five 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.

4.5: Confidentiality

4.5.1: Confidential information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of these procedures all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed confidential information regardless of whether it is clearly marked or otherwise designated as such.

4.5.2: Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such

publication or release), or necessary to be divulged in an action to enforce these procedures. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under these procedures, or to fulfill legal or regulatory requirements.

4.5.2.1: Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

4.5.2.2: Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages and may seek other remedies available at law or in equity for breach of this provision.

4.5.3: Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to these procedures, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC. The Party shall notify the other Party when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

4.5.4 - CPRA, Brown Act: In addition to the foregoing provisions under this Section 4.5, Interconnection Customer acknowledges that Transmission Provider is subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§6250 et seq. ("CPRA") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 et. Seq. ("Brown Act"). Requests for information made directly to Transmission Provider pursuant to CPRA, and for information sought under the Brown Act, the Parties shall adhere to the provisions Section 13.1 of Attachment M to maintain confidentiality.

4.6: Comparability

The Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this document. The 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 the Transmission Provider, its subsidiaries or affiliates, or others.

4.7: Record Retention

The 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 the Transmission Provider, the Interconnection Customer shall have 30 Business Days or another mutually agreeable timeframe to sign and return the interconnection agreement or initiate Dispute Resolution pursuant to Section 13.5 of Attachment M. If the Interconnection Customer does not sign the interconnection agreement or initiate Dispute Resolution within 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.

4.9: Coordination with Affected Systems

The Transmission Provider shall coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System operators and, if possible, include those results (if available) in its applicable interconnection study within the time frame specified in these procedures. The Transmission Provider will include such Affected System operators in all meetings held with the Interconnection Customer as required by these procedures. The Interconnection Customer will cooperate with the Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A Transmission Provider which may be an Affected System shall cooperate with the Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

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 the 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 the Transmission Provider's electric system. However, if the maximum capacity that the Small Generating Facility is capable of injecting into the 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 the Interconnection Customer must obtain the Transmission Provider's agreement, with such agreement not to be unreasonably withheld, that the way the Interconnection Customer proposes to implement such a limit will not adversely affect the safety and reliability of the Transmission Provider's system. If the 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 the Transmission Provider's electric system without such limitations. Furthermore, nothing in this section shall prevent a Transmission Provider from considering an output higher than the limited output, if appropriate, when evaluating system protection impacts.

ATTACHMENT 1: GLOSSARY OF TERMS

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

Business Day – Monday through Friday, excluding Federal Holidays.

Cluster – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Cluster Request Window – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Cluster Re-Study (ies) – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Cluster Re-Study Report – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Cluster Study – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Cluster Study Agreement – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Cluster Study Report – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

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

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

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and 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.

Informational Interconnection Study(ies) – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

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

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

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

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 under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service – An Interconnection Service that allows the Interconnection Customer to integrate its Generating Facility with the Transmission Provider's System in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades – Additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Provider's Transmission System to accommodate the interconnection with the Small Generating Facility to the Transmission Provider's Transmission

System. Network Upgrades do not include Distribution Upgrades.

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

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

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 the Transmission Provider.

Small Generating Facility – The Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request but shall not include the Interconnection Customer's Interconnection Facilities.

Study Process – The procedure for evaluating an Interconnection Request that includes the section 3 scoping meeting, Cluster Study, and facilities study.

Transition Cluster Study – shall have the meaning set out in Attachment M-1 of Transmission Provider's Tariff.

Transition Request – shall have the meaning set out in Attachment M-1 of Transmission Provider's Tariff.

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

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

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

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

ATTACHMENT 2: SMALL GENERATOR INTERCONNECTION REQUEST

(Application Form)

Transmission Provider:
Designated Contact Person:
Address:
Telephone Number:
Fax:
E-Mail Address:

An Interconnection Request 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.

Preamble and Instructions

An Interconnection Customer who requests interconnection must submit this Interconnection Request by hand delivery, mail, e-mail, or fax to the Transmission Provider.

Processing Fee or Deposit

If the Interconnection Request is submitted under the Study Process, the Interconnection Customer shall submit to the Transmission Provider a deposit not to exceed $1,000 towards the cost of the Cluster Study.

Interconnection Customer Information

Legal Name of the Interconnection Customer (or, if an individual, individual's name)

Name:

Contact Person:

Mailing Address:

City: State: Zip:_

Facility Location (if different from above):

Telephone (Day): Telephone (Evening):

Fax: E-Mail Address:

Alternative Contact Information (if different from the Interconnection Customer)

Contact Name:

Title:

Address:

Telephone (Day): Telephone (Evening):

Fax: E-Mail Address:

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?

Net Metering? Yes No

To Supply Power to the Interconnection Customer? Yes No
To Supply Power to Others? Yes No

For installations at locations with existing electric service to which the proposed Small Generating Facility will interconnect, provide:

_____ _____
(Local Electric Service Provider*) (Existing Account Number*)

[*To be provided by the Interconnection Customer if the local electric service provider is different from the Transmission Provider]

Contact Name:

Title:

Address:

Telephone (Day): Telephone (Evening):

Fax: E-Mail Address:

Requested Point of Interconnection:

Interconnection Customer's Requested In-Service Date:

Small Generating Facility Information

Data apply only to the Small Generating Facility, not the Interconnection Facilities.

Energy Source: Solar Wind Hydro _ Hydro Type (e.g. Run-of-River):
Diesel Natural Gas Fuel Oil Other (state type)

Prime Mover: Fuel Cell Recip Engine Gas Turb Steam Turb
PV Other
Microturbine

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):
I22t or K (Heating Time Constant):
Rotor Resistance, Rr:
Stator Resistance, Rs:
Stator Reactance, Xs:
Rotor Reactance, Xr:
Magnetizing Reactance, Xm:
Short Circuit Reactance, Xd":
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 the 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 the 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):
If Microprocessor-Controlled:
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 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 the 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.

For Interconnection Customer: Date:

ATTACHMENT 3: CERTIFICATION CODES AND STANDARDS

IEEE1547 Standard for Interconnecting Distributed Resources with Electric Power Systems (including use of IEEE 1547.1 testing protocols to establish conformity)

UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems

IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV) Systems

NFPA 70 (2002), National Electrical Code

IEEE Std C37.90.1-1989 (R1994), IEEE Standard Surge Withstand Capability (SWC) Tests for Protective Relays and Relay Systems

IEEE Std C37.90.2 (1995), IEEE Standard Withstand Capability of Relay Systems to Radiated Electromagnetic Interference from Transceivers

IEEE Std C37.108-1989 (R2002), IEEE Guide for the Protection of Network Transformers IEEE Std C57.12.44-2000, IEEE Standard Requirements for Secondary Network Protectors

IEEE Std C62.41.2-2002, IEEE Recommended Practice on Characterization of Surges in Low Voltage (1000V and Less) AC Power Circuits

IEEE Std C62.45-1992 (R2002), IEEE Recommended Practice on Surge Testing for Equipment Connected to Low-Voltage (1000V and Less) AC Power Circuits

ANSI C84.1-1995 Electric Power Systems and Equipment – Voltage Ratings (60 Hertz) IEEE Std 100-2000, IEEE Standard Dictionary of Electrical and Electronic Terms NEMA MG 1-1998, Motors and Small Resources, Revision 3

IEEE Std 519-1992, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems

NEMA MG 1-2003 (Rev 2004), Motors and Generators, Revision 1

ATTACHMENT 4: CERTIFICATION OF SMALL GENERATOR EQUIPMENT PACKAGES

1.0: 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 below 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.

2.0: The 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.

3.0: 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.

4.0: 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.

5.0: 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.

6.0: An equipment package does not include equipment provided by the utility.

7.0: 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: RESERVED

ATTACHMENT 6: RESERVED

ATTACHMENT 7: RESERVED

ATTACHMENT 8: FACILITIES STUDY AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into this day of 20 by and between , a limited liability company organized and existing under the laws of the State of , ("Interconnection Customer,") 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, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

Recitals

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on ; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System;

WHEREAS, the Transmission Provider has completed a Cluster Study and provided the results of said study to the Interconnection Customer; and

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to implement the conclusions of the system impact study in accordance with Good Utility Practice to connect the Small Generating Facility with the Transmission Provider's Transmission System physically and electrically.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0

When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.

2.0

The Interconnection Customer elects, and the Transmission Provider shall cause a facilities study consistent with the standard Small Generator Interconnection Procedures to be performed in accordance with the Open Access Transmission Tariff.

3.0

The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement and Section 3 of the SGIP.

4.0

The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the Cluster study(s). The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of the Transmission Provider's Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.

5.0

The Transmission Provider may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities.

6.0

A deposit of the good faith estimated facilities study costs may be required from the Interconnection Customer.

7.0

In cases where Upgrades are required, the facilities study must be completed within 45 Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary, and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within 30 Business Days.

8.0

Once the facilities study is completed, a "draft" facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study must be completed, and the "draft" facilities study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a facilities study.

9.0

Interconnection Customer may, within 30 Calendar Days after receipt of the draft report, provide written comments to Transmission Provider, which Transmission Provider shall include in the final report. Transmission Provider shall issue the final Interconnection Facilities Study report within 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-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 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 4.5 of the standard Small Generator Interconnection Procedures.

10.0

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.

11.0

Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.

12.0

The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.

13.0: 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 California, 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.

14.0: Amendment

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

15.0: 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**.**

16.0: Waiver

16.1: 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.

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

17.0: Multiple Counterparts

This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

18.0: 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.

19.0: 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.

20: 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.

20.1: 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 the Transmission Provider be liable

for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

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

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.

[Insert name of Transmission Provider]	[Insert name of Interconnection Customer]
_____	_____
Signed	Signed
Name (Printed):	Name (Printed):
_____	_____
Title	Title

ATTACHMENT A: TO FACILITIES STUDY AGREEMENT: DATA TO BE PROVIDED BY THE INTERCONNECTION CUSTOMER WITH THE 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, etc.

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 location of auxiliary power. (Minimum load on CT/PT) Amps

One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections:

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 the one-line diagram).

What type of control system or PLC will be located at the Small Generating Facility?

_____

_____

What protocol does the control system or PLC use?

_____

_____

Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines.

Physical dimensions of the proposed interconnection station:

_____

Bus length from generation to interconnection station:

_____

Line length from interconnection station to Transmission Provider's Transmission System.

_____

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 Small Generating Facility located in Transmission Provider's service area?

Yes No If No, please provide name of local provider:

_____

Please provide the following proposed schedule dates:

Begin Construction	Date:	
Generator step-up transformers back feed power	Date:	receive
Generation Testing	Date:	
Commercial Operation	Date:	

SMALL GENERATOR
INTERCONNECTION AGREEMENT (SGIA)

(For Generating Facilities No Larger Than 20 MW)

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SMALL GENERATOR INTERCONNECTION AGREEMENT

This Interconnection Agreement ("Agreement") is made and entered into this____day of _____, 20_, by the Department of Water and Power of the City of Los Angeles, a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California ("Transmission Provider"), and _____ ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

Transmission Provider Information

Transmission Provider: _____
Attention:_____
Address:_____
City:_____State:_____Zip: _____
Phone:_____ Fax: _____

Interconnection Customer Information

Interconnection Customer: _____
Attention:_____
Address:_____
City:_____State:_____Zip: _____
Phone:_____ Fax: _____

Interconnection Customer Application No: _____

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

Article 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).

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

1.3 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 with

the applicable Transmission Provider.

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

1.5 Responsibilities of the Parties

1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.

1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.

1.5.3 The Transmission Provider shall construct, operate, and maintain its Transmission System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.

1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Transmission Provider 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. The Transmission Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Transmission Provider's Transmission System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance, and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

1.5.6 The Transmission Provider shall coordinate with all Affected Systems to support

the interconnection.

1.5.7 The Interconnection Customer shall ensure "frequency ride through" capability and "voltage ride through" capability of its Small Generating Facility. The Interconnection Customer shall enable these capabilities such that its Small Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the Transmission Provider 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 the Transmission Provider's automatic load-shed program. The Transmission Provider 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 the Transmission Provider 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 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 the Transmission Provider 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 the Transmission Provider 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.

1.6 Parallel Operation Obligations

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

1.7 Metering

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

1.8 Reactive Power and Primary Frequency Response

1.8.1 Power Factor Design Criteria

1.8.1.1 Synchronous Generation. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all similarly situated synchronous generators in the control area on a comparable basis.

1.8.1.2 Non-Synchronous Generation. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all similarly situated non-synchronous generators in the control 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. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of the Final Rule establishing this requirement (Order No. 827).

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

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

1.8.4 Primary Frequency Response. Interconnection 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. Interconnection 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 NERC 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 an approved NERC 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 NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Small Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Small Generating Facility with the Transmission System, Interconnection 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, Interconnection Customer shall operate the Small Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider 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 NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Small Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider 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. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection 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. Interconnection 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. Interconnection 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. A Commission-approved 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. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Attachment 5 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 5 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 Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Attachment 5 must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

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

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

2.1 Equipment Testing and Inspection

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

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

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Transmission Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Transmission Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Transmission Provider shall make Reasonable Efforts to cooperate with the Interconnection Customer in

meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

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

2.3 Right of Access

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

2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Transmission Provider shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

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

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

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties.

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 and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article of this Agreement; or (ii) until the Generating Facility permanently ceases Commercial Operation, subject to Article 3.3.

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

3.3.2 Either Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Transmission Provider's Transmission System. 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 article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

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

3.4.1 Emergency Conditions -- "Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, the Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the Transmission Provider may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Transmission Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify the Transmission Provider promptly

when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Transmission Provider's Transmission System or 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

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

3.4.3 Forced Outages

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

3.4.4 Adverse Operating Effects

The Transmission Provider shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the Transmission Provider's Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Transmission Provider may disconnect the Small Generating Facility. The Transmission Provider shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from the Transmission Provider before making any change to the Small Generating Facility

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

3.4.6 Reconnection

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

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

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

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

4.2 Distribution Upgrades

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

Article 5. Cost Responsibility for Network Upgrades

5.1 Applicability

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

5.2 Network Upgrades

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

5.3 Special Provisions for Affected Systems

Unless the Transmission Provider provides, under this Agreement, for the repayment of amounts advanced to any applicable Affected System operators for Network Upgrades, the Interconnection Customer and Affected System operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to Affected System operator as well as the repayment by Affected System operator.

5.4 Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future, under any other agreement or tariff because of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Small Generating Facility.

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

6.1 Billing and Payment Procedures and Final Accounting

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

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

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

6.2 Milestones

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

6.3 Financial Security Arrangements

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

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

6.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Transmission Provider and must

specify a reasonable expiration date.

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

7.1 Assignment

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

7.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the Interconnection Customer promptly notifies the Transmission Provider of any such assignment.

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

7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, prior written consent to assignment will not be unreasonably withheld, conditioned, or delayed. The General Manager of LADWP, and/or his/her designee, is authorized to grant the consents contemplated by this Article on behalf of LADWP.

7.2 Limitation of Liability

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

7.3 Indemnity

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

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

7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

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

7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

7.4 Consequential Damages

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, business interruption, 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.

7.5 Force Majeure

7.5.1 A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party’s performance is prevented by a Force Majeure that, despite the exercise of due diligence (which does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other

labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to the additional requirement of a Force Majeure Written Notice set forth in Article 7.5.2.

7.5.2 A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall provide the Force Majeure Immediate Notice pursuant to Article 7.5.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set forth above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

7.6 Default

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

7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall

have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article 8. Insurance

8.1 Additional Insured Status Required.
Interconnection Customer shall procure at its own expense, and keep in effect at all times during the term of this Agreement, the types and amounts of insurance specified on the attached Contract Insurance Requirements page. The specified insurance shall also, either by provisions in the policies, by the City of Los Angeles' (the "City") own endorsement form or by other endorsement attached to such policies, be in a form acceptable to the Risk Manager of Transmission Provider (hereinafter referred to as "Risk Manager") and the Office of City Attorney, include and insure City, Transmission Provider, its Board of Commissioners (hereinafter referred to as "Board"), and all of its officers, employees and agents, their successors and assigns, as Additional Insureds (except for Workers' Compensation), against the area of risk described herein as respects Interconnection Customer's acts or omissions in its performance of the agreement, hereunder or other related functions performed by or on behalf of Interconnection Customer. Acceptance of the submitted evidence of insurance shall not be unreasonably withheld. Such insurance shall not limit or qualify the liabilities and obligations of the Interconnection Customer assumed under the contract.

8.2 Severability of Interests and Cross Liability Required.
Each specified insurance policy (other than Workers' Compensation and Employers' Liability and Property coverage) shall contain a Severability of Interest and Cross Liability clause which states in effect, "It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability," and a Contractual Liability Endorsement which shall state in effect, "Such insurance as is afforded by this policy shall also apply to liability assumed by the insured under this Agreement with the City of Los Angeles."

8.3 Primary and Non-Contributory Insurance Required.
All such insurance shall be Primary and Noncontributing with any other insurance held by Transmission Provider where liability arises out of or results from the acts or omissions of Interconnection Customer, its agents, employees, officers, assigns, or any person or entity acting for or on behalf of Interconnection Customer. Any insurance carried by Transmission Provider which may be applicable shall be deemed to be excess insurance and the Interconnection Customer's insurance is primary for all purposes despite any conflicting provision in the Interconnection

Customer's policies to the contrary.

8.4 Deductibles Subject to Transmission Provider's Discretion.
Deductibles and/or self-insured retentions shall be at the sole discretion of the Risk Manager. The Transmission Provider shall have no liability for any premiums charged for such coverage(s). The inclusion of the Transmission Provider, its Board, and all of its officers, employees and agents, and their agents and assigns, as additional insureds, is not intended to, and shall not, make them, or any of them a partner or joint venturer with Interconnection Customer in its operations.

8.5 Proof of Insurance for Renewal or Extension Required.
At least thirty (30) days after the expiration date of any of the policies required on the attached Contract Insurance Requirement page, documentation showing that the insurance coverage has been renewed or extended shall be filed with the Transmission Provider. If such coverage is canceled or reduced in coverage, Interconnection Customer shall, within fifteen (15) days of such cancellation or reduction of coverage, file with Transmission Provider evidence that the required insurance has been reinstated or provided through another insurance company or companies.

8.6 Submission of Acceptable Proof of Insurance and Notice of Cancellation.
Interconnection Customer shall provide proof to the Risk Manager of all specified insurance and related requirements either by production of the actual insurance policy(ies), by use of Transmission Provider's own endorsement form(s), or by other written evidence of insurance acceptable to the Risk Manager, but always in a form acceptable to the Risk Manager and the Office of the City Attorney. Acceptance of the submitted evidence of insurance shall not be unreasonably withheld. The documents evidencing all specified coverage shall be filed with Transmission Provider prior to Interconnection Customer beginning operations hereunder. Said proof shall contain at a minimum, the applicable policy number, the inclusive dates of policy coverage, the date the protection begins for Transmission Provider, and the insurance carrier's name. It shall bear an original signature of an authorized representative of said carrier, and shall provide that such insurance shall not be subject to cancellation, material reduction in coverage or non-renewal except after written notice by certified mail, return receipt requested, to the City Attorney of the City of Los Angeles at least thirty (30) calendar days prior to the effective date thereof. Seller may provide the required notice consistent with the time frame specified herein. The notification shall be sent by registered mail to: Risk Management Section, L.A. Water and Power, Post Office Box 51111, JFB Room 465, Los Angeles, California 90051-0100.

8.7 Claims-Made Insurance Conditions.
Should any portion of the required insurance be on a "Claims Made" policy, the Interconnection Customer shall, at the policy expiration date following completion

of work, provide evidence that the "Claims Made" policy has been renewed or replaced with the same limits, terms and conditions of the expiring policy, or that an extended three (3) years discovery period has been purchased on the expiring policy at least for the contract under which the work was performed.

8.8 Failure to Maintain and Provide as Cause for Termination.
Failure to maintain and provide acceptable evidence of the required insurance for the required period of coverage shall constitute a breach of contract, upon which Transmission Provider may immediately terminate or suspend the agreement.

8.9 Periodic Right to Review/Update Insurance Requirements.
The Transmission Provider and Interconnection Customer agree that the insurance policy limits specified on the attached Contract Insurance Requirements page may be reviewed for adequacy annually throughout the term of this Agreement by the Risk Manager/City Attorney, who may thereafter require Interconnection Customer to adjust the amounts and types of insurance coverage however the Risk Manager/City Attorney deems to be adequate and necessary. Transmission Provider reserves the right to have submitted to it, upon request, all pertinent information about the agent and carrier providing such insurance, including applicable license and ratings.

8.10 Specific Insurance Requirements.
See Attachment "Contract Insurance Requirements."

8.11 Limitation of Liability and Release.
TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

Article 9. Confidentiality

9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.

9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages and may seek other remedies available at law or in equity for breach of this provision.

9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests

from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

9.4 CPRA, Brown Act

In addition to the foregoing provisions under this Article 9.4, Interconnection Customer acknowledges that Transmission Provider is subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§ 6250 et seq. ("CPRA") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 et. seq. ("Brown Act"). Requests for information made directly to Transmission Provider pursuant to CPRA will be managed in a similar manner identified within Article 9.3. For purposes of the Brown Act, the Parties shall adhere to the provisions of Article 9.1 to maintain confidentiality.

Article 10. Disputes

10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.

10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute. Such Notice of Dispute shall not be deemed a waiver of the requirements of, nor construed as compliance with, California Government Code Section 910 et seq., or any successor statute.

10.3 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

10.4 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 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"); provided, however, in the event of a conflict between the Arbitration Rules

and the terms of this Article 10, the terms of this Article 10 shall prevail.

10.5 Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this SGIA 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.

10.6 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.

10.7 If the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement; provided that, any dispute arising out of or relating to this SGIA shall be brought in a state or federal court in the County of Los Angeles in the State of California. Each Party irrevocably agrees to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens*.

Article 11. Taxes

11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with Internal Revenue Service requirements.

11.2 Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Transmission Provider's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

12.1 Governing Law, Regulatory Authority, and Rules
The validity, interpretation, and enforcement of this Agreement and each of its provisions shall be governed by and enforced in accordance with the laws of the State of California, as if executed and to be performed wholly within the State of California. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

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

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

12.4 Waiver

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

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

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

12.6 Multiple Counterparts
This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

12.7 No Partnership
This Agreement shall not be interpreted or construed to create an association, joint

venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability

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

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects all Transmission Providers, market participants, and Interconnection Customers interconnected to electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

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

12.11 Subcontractors

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

12.11.1 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 the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

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

12.12 Reserved.

Article 13. Notices

13.1 General

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

If to the Interconnection Customer:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

If to the Transmission Provider:

Transmission Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

13.2 Billing and Payment

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

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____

Transmission Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____

13.3 Alternative Forms of Notice

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

If to the Interconnection Customer:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

If to the Transmission Provider:

Transmission Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

13.4 Designated Operating Representative

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

Interconnection Customer's Operating Representative:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

Transmission Provider's Operating Representative:

Transmission Provider: _____
Attention: _____

Address:_____
City:_____State:_____Zip:_____
Phone:_____ Fax: _____

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

Article 14. Signatures

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

For the Transmission Provider

Name: _____

Title: _____

Date: _____

For the Interconnection Customer

Name: _____

Title: _____

Date: _____

Attachment 1

Glossary of Terms

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

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

Business Day – Monday through Friday, excluding Federal Holidays.

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

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

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

Force Majeure - Any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, or 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.

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

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

Affiliate thereof. In this context Interconnection Provider does not include the City of Los Angeles or the Board of Water and Power Commissioners. Interconnection Provider only includes the Department of Water and Power.

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

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

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

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

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

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

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

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

Small Generating Facility – The Interconnection Customer's device for the production and/or

storage for later injection of electricity identified in the Interconnection Request but shall not include the Interconnection Customer's Interconnection Facilities.

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

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

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

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

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

Attachment 2

Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment

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

Attachment 3

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

Attachment 4

Milestones

In-Service Date: _____

Critical milestones and responsibility as agreed to by the Parties:

	Milestone/Date	**Responsible Party**
(1)	_____	_____
(2)	_____	_____
(3)	_____	_____
(4)	_____	_____
(5)	_____	_____
(6)	_____	_____
(7)	_____	_____
(8)	_____	_____
(9)	_____	_____
(10)	_____	_____

Agreed to by:

For the Transmission Provider_____Date_____

For the Transmission Owner (If Applicable)_____Date_____

For the Interconnection Customer_____Date_____

Attachment 5

Additional Operating Requirements for the Transmission Provider's Transmission System and Affected Systems Needed to Support the Interconnection Customer's Needs

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

Attachment 6

Transmission Provider's Description of its Upgrades and Best Estimate of Upgrade Costs

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

ATTACHMENT O

Energy Imbalance Market

1. General Provision - Purpose and Effective Date of Attachment O

Attachment O provides for Transmission Provider's participation as the LADWP EIM Entity in the EIM administered by the MO. This Attachment O should be read in conjunction with the LADWP EIM BP.

Attachment O shall be in effect upon its acceptance by the Transmission Provider's Board of Commissioners and Los Angeles City Council, with the exceptions provided below, for as long as Transmission Provider implements the EIM and until all final settlements are finalized resulting from such implementation. Sections 4.1.5, 4.1.6, 8 and 10 of this Attachment O take effect no earlier than April 1, 2021, or the implementation date of Transmission Provider's participation in the EIM, whichever is later. All other sections of this Attachment O take effect no earlier than January 1, 2021 or seven (7) days prior to the start of parallel operations.

This Attachment O shall apply to: (1) all Transmission Customers and Interconnection Customers, as applicable, with new and existing service agreements under Parts II and III and Attachments M and O of this Tariff, (2) all transmission customers with legacy transmission agreements that pre-existed this Tariff and that expressly incorporate by reference the applicability of LADWP's Tariff and/or this Attachment O in particular, and (3) Transmission Provider's use of the transmission system for service to Native Load Customers. To the extent an Interconnection Customer controls the output of a generator located in LADWP's BAA, the LADWP EIM Entity may require the Interconnection Customer to comply with a requirement in this Attachment O that on its face applies to a Transmission Customer to the extent that the LADWP EIM Entity makes a determination, in its sole discretion, that the Interconnection Customer is the more appropriate party to satisfy the requirements of Attachment O than any Transmission Customer.

This Attachment O shall work in concert with the provisions of the MO Tariff implementing the EIM to support operation of the EIM. To the extent that this Attachment O is inconsistent with a provision in the remainder of this Tariff with regard to the LADWP EIM Entity's administration of the EIM, this Attachment O shall prevail.

This Attachment O governs the relationship between the LADWP EIM Entity and all Transmission Customers and Interconnection Customers subject to this Tariff. This

Attachment O does not establish privity between Transmission Customers and the MO or make a Transmission Customer subject to the MO Tariff. Any Transmission Customer duties and obligations related to the EIM are those identified in this Tariff, unless the Transmission Customer voluntarily elects to participate directly in the EIM with LADWP EIM Participating Resources, in which case the MO Tariff provisions for EIM Participating Resources and EIM Participating Resource Scheduling Coordinators shall also apply.

2. Election of Transmission Customers to become LADWP EIM Participating Resources

The decision of a Transmission Customer to participate in the EIM with resources as LADWP EIM Participating Resources is voluntary. A Transmission Customer that chooses to have a resource become an LADWP EIM Participating Resource must:

(i) Meet the requirements specified in Section 3 of this Attachment O and the LADWP EIM BP;

(ii) Become or retain a MO-certified EIM Participating Resource Scheduling Coordinator; and

(iii) Follow the application and certification process specified in this Attachment O and the LADWP EIM BP posted on the Transmission Provider's OASIS.

Transmission Customers which own or control multiple resources may elect to have any or all of their resources be LADWP EIM Participating Resources, in which case any resources that are not elected by the Transmission Customer to be LADWP EIM Participating Resources shall be treated as Non-Participating Resources for purposes of this Attachment O.

3. Eligibility to be an LADWP EIM Participating Resource

3.1 Internal Resources - Transmission Rights

Resources owned or controlled by Transmission Customers and located within the metered boundaries of LADWP's BAA are eligible to become LADWP EIM Participating Resources. The Transmission Customer that owns or controls the resource must have associated transmission rights based on one of the following:

(i) The resource is a designated Network Resource of a Network Customer and the Network Customer elects to participate in the EIM through its Network Integration Transmission Service Agreement; or

(ii) The resource is associated with either (i) a Service Agreement for Firm Point-to-Point Transmission Service or (ii) a Service Agreement for Non-Firm Point-to-Point Transmission Service, and such Transmission Customer elects to participate in the EIM.

3.2 Resources External to LADWP EIM Entity BAA

3.2.1 Use of Pseudo-Ties

A resource owned or controlled by a Transmission Customer that is not physically located inside the metered boundaries of LADWP's BAA may participate in the EIM as an LADWP EIM Participating Resource if the Transmission Customer: (1) implements a Pseudo-Tie into LADWP's BAA, consistent with LADWP's business practice posted on Transmission Provider's OASIS; (2) has arranged firm transmission over any third-party transmission systems to an LADWP EIM Entity BAA intertie boundary equal to the amount of energy that will be Dynamically Transferred through a Pseudo- Tie into the LADWP EIM Entity BAA, consistent with LADWP's business practice posted on Transmission Provider's OASIS; and (3) has secured transmission service consistent with Section 3.1 of this Attachment O.

3.2.2 Pseudo-Tie Costs

Pseudo-Tie implementation costs shall be allocated in a manner consistent with the treatment of Network Upgrades and Direct Assignment Facilities to facilitate a Pseudo-Tie into LADWP EIM Entity BAA.

3.3 Application and Certification of LADWP EIM Participating Resources

This section should be read in conjunction with the LADWP EIM BP.

3.3.1 Application

To register a resource to become an LADWP EIM Participating Resource, an applicant must submit a completed application and shall provide a deposit of $1,500 for the LADWP EIM Entity to process the application. Upon completion of processing the completed application, the LADWP EIM Entity shall charge and the applicant shall pay the actual costs of the application processing. Any difference between the deposit and the actual costs of the application processing shall be paid by or refunded (without interest) to the LADWP EIM Participating Resource applicant, as appropriate. At the time of application, any LADWP EIM Participating Resource applicant must elect to perform the

duties of either a CAISO Metered Entity or Scheduling Coordinator Metered Entity, consistent with the MO's requirements, as applicable.

3.3.2 **Processing the Application**

The LADWP EIM Entity shall make a determination as to whether to accept or reject the application within 45 days of receipt of the application. At minimum, the LADWP EIM Entity shall validate through the application that the LADWP EIM Participating Resource applicant has satisfied Sections 3.1 and 3.2 of this Attachment O, as applicable, and met minimum telemetry and metering requirements, as set forth in the MO's requirements and the LADWP EIM BP. Within 45 days of receipt of the application and in accordance with the process outlined in the LADWP EIM BP, the LADWP EIM Entity may request additional information and will attempt to resolve any minor deficiencies in the application with the Transmission Customer. The LADWP EIM Entity may extend the 45-day period to accommodate the resolution of minor deficiencies in the application in order to make a determination on an application. If the LADWP EIM Entity approves the application, it shall send notification of approval to both the LADWP EIM Participating Resource applicant and the MO. If the LADWP EIM Entity rejects the application, the LADWP EIM Entity shall send notification stating the grounds for rejection to the LADWP EIM Participating Resource applicant. Upon request, the LADWP EIM Entity may provide guidance to the applicant as to how the LADWP EIM Participating Resource applicant may cure the grounds for the rejection. In the event that the LADWP EIM Entity has granted an extension of the 45-day period but the applicant has neither provided the additional requested information nor otherwise resolved identified deficiencies within six (6) months of the LADWP EIM Entity's initial receipt of the application, the application shall be deemed rejected by the LADWP EIM Entity. If an application is rejected, the LADWP EIM Participating Resource applicant may resubmit its application at any time (including submission of a new processing fee deposit).

3.3.3 **Certification Notice**

Upon approval of an application and in accordance with the process specified in the LADWP EIM BP, certification by the LADWP EIM Entity of the LADWP EIM Participating Resource to participate in the EIM shall occur once the Transmission Customer has demonstrated and the MO has confirmed that the Transmission Customer has:

(i) Met the MO's criteria to become an EIM Participating Resource and executed the MO's pro forma EIM Participating Resource Agreement;

(ii) Qualified to become or retained the services of a MO-certified EIM Participating Resource Scheduling Coordinator;

(iii) Met the necessary metering requirements of this Tariff and Section 29.10 of the MO Tariff and the EIM Participating Resource Scheduling Coordinator has executed the MO's pro forma Meter Service Agreement for Scheduling Coordinators; and

(iv) Met communication and data requirements of this Tariff and Section 29.6 of the MO Tariff; and has the ability to receive and implement Dispatch Instructions every five minutes from the MO.

Upon receiving notice from the MO of the completion of the enumerated requirements by the Transmission Customer, the LADWP EIM Entity shall provide notice to both the Transmission Customer with an LADWP EIM Participating Resource and the MO that the LADWP EIM Participating Resource is certified and therefore eligible to participate in the EIM.

3.3.4 **Status of Resource Pending Certification**

If the Transmission Customer: (i) has submitted an application for a resource to be an LADWP EIM Participating Resource but the application has not been approved; or (ii) has not yet been certified by the LADWP EIM Entity consistent with Section 3.3.3 of this Attachment O, the resource shall be deemed to be a Non-Participating Resource.

3.3.5 **Notice and Obligation to Report a Change in Information**

Each Transmission Customer with an LADWP EIM Participating Resource has an ongoing obligation to inform the LADWP EIM Entity of any changes to any of the information submitted as part of the application process under this Attachment O. This information includes, but is not limited to:

(i) Any change in the LADWP EIM Participating Resource Scheduling Coordinator representing the resource;

(ii) Any change in the ownership or control of the resource;

(iii) Any change to the physical characteristics of the resource required to be reported to the MO in accordance with Section 29.4(c)(4)(C) of the MO Tariff; or

(iv) If either the MO terminates the participation of the LADWP EIM Participating Resource in the EIM or the Transmission Customer has terminated the LADWP EIM Participating Resource's participation in the EIM; in either case, that resource shall be considered to be a Non-Participating Resource for purposes of this Tariff, including Attachment O.

4. Roles and Responsibilities

4.1 Transmission Provider as the LADWP EIM Entity and the LADWP EIM Entity Scheduling Coordinator

4.1.1 Responsibilities

4.1.1.1 Identification of EIM Entity Scheduling Coordinator

The LADWP EIM Entity can serve as the LADWP EIM Entity Scheduling Coordinator or retain a third party to perform such role. If the LADWP EIM Entity is not the LADWP EIM Entity Scheduling Coordinator, the LADWP EIM Entity shall communicate to the LADWP EIM Entity Scheduling Coordinator the information required by the LADWP EIM Entity Scheduling Coordinator to fulfill its responsibilities in the EIM.

The LADWP EIM Entity Scheduling Coordinator shall coordinate and facilitate the EIM in accordance with the requirements of the MO Tariff. The LADWP EIM Entity Scheduling Coordinator must meet the certification requirements of the MO and enter into any necessary MO agreements.

4.1.1.2 Processing LADWP EIM Participating Resource Applications

The LADWP EIM Entity shall be responsible for processing applications of Transmission Customers seeking authorization to participate in the EIM with resources as LADWP EIM Participating Resources in accordance with Section 3.3 of this Attachment O.

4.1.1.3 Determination of EIM Implementation Decisions for LADWP's BAA

The LADWP EIM Entity is solely responsible for making any decisions with respect to EIM participation that the MO requires of EIM Entities. The LADWP EIM Entity has made the following determinations:

(i) Eligibility requirements: Eligibility requirements are set forth in Section 3 of Attachment O.

(ii) Load Aggregation Points: There shall be one LAP for LADWP's BAA.

(iii) MO load forecast: The LADWP EIM Entity shall utilize the MO load forecast but shall retain the right to provide the load forecast to the MO in accordance with the MO Tariff.

(iv) MO metering agreements: The LADWP EIM Entity and all Transmission Customers with LADWP EIM Participating Resources shall have the option to elect to be Scheduling Coordinator Metered Entities or CAISO Metered Entities in accordance with Section 29.10 of the MO Tariff. The LADWP EIM Entity shall be a Scheduling Coordinator Metered Entity on behalf of all Transmission Customers with Non-Participating Resources in accordance with Section 29.10 of the MO Tariff.

4.1.1.4 LADWP EIM Business Practice

The LADWP EIM Entity shall establish and revise, as necessary, procedures to facilitate implementation and operation of the EIM through the LADWP EIM BP that shall be posted on the Transmission Provider's OASIS.

4.1.1.5 Determination to Take Corrective Actions or Permanently Terminate Participation in the EIM

The LADWP EIM Entity may take corrective actions in LADWP's BAA in accordance with the requirements of Section 10.3 of Attachment O.

In addition, the LADWP EIM Entity, in its sole and absolute discretion, may permanently terminate its participation in the EIM by providing notice of termination to the MO pursuant to applicable agreements.

4.1.2 Responsibilities of the LADWP EIM Entity to Provide Required Information

4.1.2.1 Provide Modeling Data to the MO

The LADWP EIM Entity shall provide the MO information associated with transmission facilities within LADWP's BAA, including, but not limited to, network constraints and associated limits that must be observed in LADWP's BAA network and interties with other BAAs.

4.1.2.2 Registration

The LADWP EIM Entity shall register all Non-Participating Resources with the MO. The LADWP EIM Entity may choose to obtain default energy bids from the MO for Non-Participating Resources that are Balancing Authority Area Resources. The LADWP EIM Entity shall update this information in accordance with the MO's requirements as revised information is received from Transmission Customers with Non-Participating Resources in accordance with Section 4.2.1.2 of this Attachment O.

4.1.3 Day-to-Day EIM Operations

4.1.3.1 Submission of Transmission Customer Base Schedule, Forecast Data for Non-Participating Resources that are Variable Energy Resources, and Resource Plans

The LADWP EIM Entity is responsible for providing the data required by the MO in accordance with Section 29.34 of the MO Tariff, including but not limited to: (1) hourly Transmission Customer Base Schedules; (2) Forecast Data for Non-Participating Resources that are Variable Energy Resources; and (3) Resource Plans.

4.1.3.2 Communication of Manual Dispatch Information

The LADWP EIM Entity shall inform the MO of a Manual Dispatch by providing adjustment information for the affected resources in accordance with Section 29.34 of the MO Tariff.

4.1.3.3 Confirmation

The MO shall calculate, and the LADWP EIM Entity shall confirm, actual values for Dynamic Schedules reflecting EIM Transfers to the MO within 60 minutes after completion of the Operating Hour to ensure the e-Tag author will be able to update these

values in accordance with WECC policies and industry standards through an update to the e-Tag. If WECC policies and industry standards are modified such that the 60-minute time frame set forth in the preceding sentence is no longer sufficient to enable compliance with the WECC policies and industry standards, Transmission Provider shall specify in its EIM BP the applicable time frame necessary to remain compliant.

4.1.3.4 Dispatch of EIM Available Balancing Capacity of a Non-Participating Resource

Upon notification by the MO, the LADWP EIM Entity shall notify the Non-Participating Resource of the Dispatch Operating Point for any EIM Available Balancing Capacity from the Non-Participating Resource, except in circumstances in which the LADWP EIM Entity determines the additional capacity is not needed for the BAA or has taken other actions to meet the capacity need.

4.1.4 Provision of Meter Data

The LADWP EIM Entity shall submit load, resource, and Interchange meter data to the MO in accordance with the format and timeframes required in the MO Tariff on behalf of Transmission Customers with Non-Participating Resources, loads, and Interchange.

4.1.5 Settlement of MO Charges and Payments

The LADWP EIM Entity shall be responsible for financial settlement of all charges and payments allocated by the MO to the LADWP EIM Entity. The LADWP EIM Entity shall sub-allocate EIM charges and payments in accordance with Schedules 1, 1A, 4, and 9 of this Tariff or Section 8 of Attachment O, as applicable.

4.1.6 Dispute Resolution with the MO

The LADWP EIM Entity shall manage dispute resolution with the MO for the LADWP EIM Entity settlement statements consistent with Section 29.13 of the MO Tariff, Section 12 of this Tariff, and the LADWP EIM BP. Transmission Customers with LADWP EIM Participating Resources shall manage dispute resolution with the MO for any settlement statements they receive directly from the MO.

4.2 Transmission Customer Responsibilities

The following Transmission Customers must comply with the information requirements of this section: (1) Transmission Customers with an LADWP EIM Participating

Resource; (2) Transmission Customers with a Non-Participating Resource; (3) Transmission Customers with load within LADWP's BAA; and (4) subject to the limitations identified in Section 4.2.4.5.1 of this Attachment O, Transmission Customers wheeling through LADWP's BAA. This section should be read in conjunction with the LADWP EIM BP.

4.2.1 Initial Registration Data

4.2.1.1 Transmission Customers with an LADWP EIM Participating Resource

A Transmission Customer with an LADWP EIM Participating Resource shall provide the LADWP EIM Entity with the data necessary to meet the requirements established by the MO to register all resources with the MO as required by Section 29.4(e)(4)(D) of the MO Tariff.

4.2.1.2 Transmission Customers with a Non-Participating Resource

A Transmission Customer with Non-Participating Resources shall provide the LADWP EIM Entity with data necessary to meet the requirements established by the MO as required by Section 29.4(c)(4)(C) of the MO Tariff.

4.2.2 Responsibility to Update Required Data

4.2.2.1 Transmission Customers with an LADWP EIM Participating Resource

Each Transmission Customer with an LADWP EIM Participating Resource has an ongoing obligation to inform the MO and LADWP EIM Entity of any changes to any of the information submitted by the Transmission Customer provided under Section 4.2.1 of this Attachment O that reflects changes in operating characteristics as required by Section 29.4(e)(4)(D) of the MO Tariff.

4.2.2.2 Transmission Customers with Non-Participating Resources

Each Transmission Customer with a Non-Participating Resource has an ongoing obligation to inform the LADWP EIM Entity of any changes to any of the information

submitted by the Transmission Customer with a Non-Participating Resource provided under Section 4.2.1 of this Attachment O.

4.2.3 **Outages**

Transmission Customers with LADWP EIM Participating Resources and Transmission Customers with Non-Participating Resources shall be required to provide planned and unplanned outage information for their resources in accordance with Section 7 of this Attachment O.

4.2.4 **Submission of Transmission Customer Base Schedule**

Every Transmission Customer (including Transmission Customers which do not have any resources or load within LADWP's BAA) shall submit the Transmission Customer Base Schedule to the LADWP EIM Entity. This submission must include Forecast Data on all resources, Interchange, and Intrachange which balance to the Transmission Customer's anticipated load, as applicable. If the Transmission Customer does not serve load within LADWP's BAA, submission of the Transmission Customer Base Schedule shall balance to the Transmission Customer's anticipated actual generation within LADWP's BAA. The submissions shall be in the format and within the timing requirements established by the MO and the LADWP EIM Entity as required in Section 4.2.4.5 of this Attachment O and the LADWP EIM BP.

4.2.4.1 **Transmission Customers with an LADWP EIM Participating Resource or Non-Participating Resource in the LADWP EIM Entity BAA**

A Transmission Customer with an LADWP EIM Participating Resource or a Non-Participating Resource is not required to submit Forecast Data for:

(i) resources located in LADWP EIM Entity BAA that are less than three MW; or

(ii) behind-the-meter generation which is not contained in the MO's network model.

Each LADWP EIM Participating Resource Scheduling Coordinator shall provide to the LADWP EIM Entity:

(i) the energy bid range data (without price information) of the respective resources it represents that are participating in the EIM; and

(ii) Dispatch Operating Point data of the respective resources it represents that are participating in the EIM.

4.2.4.2 Transmission Customers with Non-Participating Resources that are Variable Energy Resources

4.2.4.2.1 Resource Forecasts

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall submit (i) resource Forecast Data with hourly granularity and (ii) resource Forecast Data with 5-minute or 15-minute granularity. A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall provide, at minimum, a three-hour rolling forecast with 15-minute granularity, updated every 15 minutes, and may provide, in the alternative, a three-hour rolling forecast with 5-minute granularity, updated every 5 minutes.

4.2.4.2.2 Method of submission

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall submit resource Forecast Data consistent with this Section 4.2.4.2 using any one of the following methods:

(i) The Transmission Customer may elect to use the LADWP EIM Entity's Variable Energy Resource reliability forecast prepared for Variable Energy Resources within LADWP's BAA, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to Schedule 9 of this Tariff;

(ii) The Transmission Customer may elect to self-supply the Forecast Data and provide such data to the LADWP EIM Entity, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to Schedule 9 of this Tariff; or

(iii) The Transmission Customer may elect that the MO produce Forecast Data for the Variable Energy Resource, made available to the Transmission Customer in a manner consistent with Section 29.11 (j)(1) of the MO Tariff, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to Schedule 9 of this Tariff.

4.2.4.2.3 Timing of submission

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource must elect one of the above methods prior to either: (1) the date LADWP joins the EIM or (2) the date the Non-Participating Resource interconnects to LADWP's BAA. A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource may change its election by providing advance notice to the LADWP EIM Entity.

To the extent a Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource elects method (2) above, and such Transmission Customer fails to submit resource Forecast Data for any time interval as required by this Section 4.2.4.2 of this Attachment O, the LADWP EIM Entity shall apply method (1) for purposes of settlement pursuant to Schedule 9 of this Tariff.

4.2.4.3 Transmission Customers with Load

As set forth in Sections 4.2.4 of this Attachment O, a Transmission Customer is required to submit Forecast Data on all resources, Interchange, and Intrachange which balance to the Transmission Customer's anticipated load, as applicable.

For purposes of settling Energy Imbalance Service pursuant to Schedule 4 of this Tariff, the LADWP EIM Entity shall calculate the load component of the Transmission Customer Base Schedule as the resource Forecast Data net of its Interchange Forecast Data and net of its Intrachange Forecast Data, as applicable.

4.2.4.4 Transmission Customers Without Resources or Load in LADWP's EIM Entity BAA

A Transmission Customer which does not have any resources or load within LADWP's EIM Entity BAA shall submit a Transmission Customer Base Schedule that includes Interchange and Intrachange Forecast Data to the LADWP EIM Entity.

4.2.4.5 Timing of Transmission Customer Base Schedules Submission.

4.2.4.5.1 Preliminary Submission of Transmission Customer Base Schedules by Transmission Customers with Resources or Load in the LADWP EIM Entity BAA.

Transmission Customers with resources or load in the LADWP EIM Entity BAA shall submit their initial Transmission Customer Base Schedules 7 days prior to each Operating Day ("T - 7 days"). Transmission Customers may modify the proposed Transmission Customer Base Schedule at any time but shall submit at least one update by 10 a.m. of the day before the Operating Day.

4.2.4.5.2 Final Submissions of Transmission Customer Base Schedules

Transmission Customers shall submit proposed final Transmission Customer Base Schedules, at any time but no later than 77 minutes prior to each Operating Hour ("T-77"). Transmission Customers may modify Transmission Customer Base Schedules up to and until 57 minutes prior to the Operating Hour ("T-57"). As of 55 minutes prior to each Operating Hour ("T-55"), the Transmission Customer Base Schedule data for the Operating Hour will be considered financially binding and Transmission Customers may not submit further changes. If the Transmission Customer fails to enter a Forecast Data value, the default will be 0 MW for that Operating Hour.

4.2.5 Metering for Transmission Customers with Non-Participating Resources

To assess imbalance, the MO shall disaggregate meter data into 5-minute intervals if the meter intervals are not already programmed to 5-minute intervals pursuant to a Transmission Customer's applicable interconnection requirements associated with any agreement pursuant to the form of Large Generator Interconnection Agreement found in Attachment M of this Tariff. To the extent that a Transmission Customer owns the meter or owns the communication to the meter, the Transmission Customer shall be responsible to maintain accurate and timely data accessible for the LADWP EIM Entity to comply with Section 4.1.4 of this Attachment O.

5. Transmission Operations

5.1 Provision of Information Regarding Real-Time Status of the Transmission Provider's Transmission System

(i) real time data for the Transmission System and interties; and

(ii) any changes to transmission capacity and the Transmission System due to operational circumstances.

5.2 Provision of EIM Transfer Capacity by an LADWP Interchange Rights Holder

The LADWP EIM Entity shall facilitate the provision of transmission capacity for EIM Transfers offered by an LADWP Interchange Rights Holder by providing the MO with information about the amounts made available by the LADWP Interchange Rights Holder for EIM Transfers. The provision of EIM Transfer capacity shall be implemented through the LADWP Interchange Rights Holder's submission of an e-Tag by 75 minutes prior to the Operating Hour ("T-75").

The LADWP Interchange Rights Holder shall include on the e-Tag the OASIS identification reservation number(s) associated with the transmission rights made available for EIM Transfers and shall also include the MO, all transmission providers, and path operators associated with the OASIS identification reservation number(s) identified on the e-Tag. The LADWP Interchange Rights Holder's rights associated with the submitted e-Tag shall be available for the EIM, subject to approval of the e-Tag by all required e-Tag approval entities. The amount made available for EIM Transfers shall never exceed the LADWP Interchange Rights Holder's transmission rights.

5.3 Provision of EIM Transfer Capability by the LADWP EIM Entity

The LADWP EIM Entity shall facilitate the provision of transmission capacity for EIM Transfers by providing the MO with information about the amounts available for EIM Transfers utilizing Available Transfer Capability ("ATC"). Such amounts shall be in addition to any amounts made available by LADWP Interchange Rights Holders pursuant to Section 5.2 of this Attachment O. The provision of EIM Transfer capacity corresponding to ATC shall be implemented by 40 minutes prior to the Operating Hour ("T-40") by the LADWP EIM Entity. The LADWP EIM Entity shall include an e-Tag, with an OASIS identification reservation number(s) created for EIM Transfers utilizing ATC, and shall also include the MO, all transmission providers, and path operators

associated with the OASIS identification reservation number(s) identified in the e-Tag. The amount of ATC indicated on the e-Tag will be based upon the lower of the amount of ATC calculated by each EIM Entity at that interface by T-40. The ATC associated with the submitted e-Tag shall be available for the EIM, subject to approval of the e-Tag by all required e-Tag approval entities.

6. System Operations Under Normal and Emergency Conditions

6.1 Compliance with Reliability Standards

Participation in the EIM shall not modify, change, or otherwise alter the manner in which the Transmission Provider operates its Transmission System consistent with applicable reliability standards, including adjustments.

Participation in the EIM shall not modify, change, or otherwise alter the obligations of the LADWP EIM Entity, Transmission Customers with LADWP EIM Participating Resources, or Transmission Customers with Non-Participating Resources to comply with applicable reliability standards.

The LADWP EIM Entity shall remain responsible for:

(i) maintaining appropriate operating reserves and for its obligations pursuant to any reserve sharing group agreements;

(ii) NERC and WECC responsibilities including, but not limited to, informing the Reliability Coordinator of issues within LADWP's BAA;

(iii) processing e-Tags and managing schedule curtailments at the interties; and

(iv) monitoring and managing real-time flows within system operating limits on all transmission facilities within LADWP's BAA, including facilities of LADWP BAA Transmission Owners. If requested by a Transmission Customer that is also an LADWP BAA Transmission Owner, the LADWP EIM Entity will provide additional information or data related to EIM operation as it may relate to facilities of an LADWP BAA Transmission Owner.

6.2 Good Utility Practice

The LADWP EIM Entity, Transmission Customers with Non-Participating Resources, and Transmission Customers with LADWP EIM Participating Resources shall comply with Good Utility Practice with respect to this Attachment O.

6.3 Management of Contingencies and Emergencies

6.3.1 EIM Disruption

If the MO declares an EIM disruption in accordance with Section 29.7(j) of the MO Tariff, the LADWP EIM Entity shall, in accordance with Section 29.7(j)(4) of the MO Tariff, promptly inform the MO of actions taken in response to the EIM disruption by providing adjustment information, updates to e-Tags, transmission limit adjustments, or outage and de-rate information, as applicable.

6.3.2 Manual Dispatch

The LADWP EIM Entity may issue a Manual Dispatch order to a Transmission Customer with an LADWP EIM Participating Resource or a Non-Participating Resource in LADWP's BAA, to address reliability or operational issues in LADWP's BAA that the EIM is not able to address through normal economic dispatch and congestion management.

The LADWP EIM Entity shall inform the MO of a Manual Dispatch as soon as possible.

7. Outages

7.1 LADWP EIM Entity Transmission Outages

7.1.1 Planned Transmission Outages and Known Derates

The LADWP EIM Entity shall submit information regarding planned transmission outages and known derates to the MO's outage management system in accordance with Section 29.9(b) of the MO Tariff. The LADWP EIM Entity shall update the submittal if there are changes to the transmission outage plan.

7.1.2 Unplanned Transmission Outages

The LADWP EIM Entity shall submit information as soon as possible regarding unplanned transmission outages or derates to the MO's outage management system in accordance with Section 29.9(e) of the MO Tariff.

7.2 LADWP BAA Transmission Owner Outages

Transmission Customers that are also LADWP BAA Transmission Owners shall provide the LADWP EIM Entity with planned and unplanned transmission outage data. Planned outages shall be reported to the LADWP EIM Entity.

The LADWP EIM Entity shall communicate information regarding planned and unplanned outages of LADWP BAA Transmission Owner facilities to the MO as soon as practicable upon receipt of the information from the LADWP BAA Transmission Owner.

7.3 LADWP EIM Participating Resource Outages

7.3.1 Planned LADWP EIM Participating Resource Outages and Known Derates

LADWP EIM Participating Resource Scheduling Coordinators shall submit information regarding planned resource outages and known derates to the LADWP EIM Entity. Planned outages and known derates shall be reported to the LADWP EIM Entity 7 or more days in advance and preferably at least 30 days in advance of the outage or known derate. The LADWP EIM Entity shall then submit this outage information to the MO's outage management system in accordance with Section 29.9(c) of the MO Tariff. LADWP EIM Participating Resource Scheduling Coordinators shall update the submittal if there are changes to the resource outage plan.

7.3.2 Unplanned LADWP EIM Participating Resource Outages or Derates

In the event of an unplanned outage required to be reported under Section 29.9(e) of the MO Tariff, the LADWP EIM Participating Resource Scheduling Coordinator is responsible for notifying the LADWP EIM Entity of required changes. Unplanned outages shall be reported to the LADWP EIM Entity as soon as possible but no later than 30 minutes after the outage commences. The LADWP EIM Entity shall then submit this information to the MO's outage management system.

Changes in availability of 10 MW or 5% of Pmax (whichever is greater) lasting 15 minutes or longer must be reported to the LADWP EIM Entity. The LADWP EIM Entity shall then submit this information to the MO's outage management system.

7.4 Outages of Transmission Customers with Non-Participating Resources

7.4.1 Planned Outages and Known Derates of Transmission Customers with Non- Participating Resources

Transmission Customers with Non-Participating Resources shall report information regarding planned outages and known derates of resources to the LADWP EIM Entity. The Transmission Customer with a Non-Participating Resource shall update the submittal if there are changes to the resource's outage plan.

The LADWP EIM Entity shall submit planned resource outages and known derates of Non- Participating Resources to the MO's outage management system in accordance with Section 29.9(c) of the MO Tariff.

7.4.2 Unplanned Outages or Derates of Resources of Transmission Customers with Non- Participating Resources

Unplanned outages of resources of a Transmission Customer with Non-Participating Resources shall be reported to the LADWP EIM Entity.

In the event of a forced outage required to be reported under Section 29.9(e) of the MO Tariff, the LADWP EIM Entity is responsible for notifying the MO of required changes through the MO's outage management system.

Changes in availability of 10 MW or 5% of the element's normal system operating limits (whichever is greater) lasting 15 minutes or longer must be reported to the LADWP EIM Entity. The LADWP EIM Entity shall then submit this information to the MO's outage management system.

8. EIM Settlements and Billing

The LADWP EIM BP shall include additional charges or charge code changes, if any, identified by CAISO or vendors.

8.0 Administrative Charges

Any charges or payments to the LADWP EIM Entity pursuant to Sections 4.5.1.1.4, 4.5.1.3, 11.22.8, and 29.11(i) of the MO Tariff for Administrative Charges not otherwise recovered under Schedule 1A shall be sub-allocated to Transmission Customers on the basis of Measured Demand:

Charge Code	Description	Allocation
4564	GMC-EIM Transaction Charge	Measured Demand
4575	SMCR – Settlements, Metering, and Client Relations	Measured Demand

8.1 Instructed Imbalance Energy (IIE)

The LADWP EIM Entity shall settle as IIE imbalances that result from (1) operational adjustments of a Transmission Customer's affected base generation schedule or Interchange, which includes changes by a Transmission Customer after T-57, (2) resource imbalances created by Manual Dispatch or an EIM Available Balancing Capacity dispatch, (3) an adjustment to resource imbalances created by adjustments to resource forecasts, or (4) other reasons IIE is calculated by the MO pursuant to Section 11.5 of the MO Tariff and using the Real Time Dispatch or Fifteen Minute Market price at the applicable PNode. Any allocations to the LADWP EIM Entity pursuant to Section 29.1 1(b)(1) and (2) of the MO Tariff for IIE shall be recovered under Schedule 9 of this Tariff:

Charge Code	Description	Allocation
64600	FMM Instructed Imbalance Energy EIM Settlement	directly allocated
64700	Real Time Instructed Imbalance Energy EIM Settlement	directly allocated

8.2 Uninstructed Imbalance Energy (UIE)

Any charges or payments to the LADWP EIM Entity pursuant to Section 29.11(b)(3)(B) and (C) of the MO Tariff for UIE shall be recovered under Schedule 4 or Schedule 9 of this Tariff:

Charge Code	Description	Allocation

64750	Real Time Uninstructed Imbalance Energy EIM Settlement	directly allocated

8.3 Unaccounted for Energy (UFE)

Any charges to the LADWP EIM Entity pursuant to Section 29.11(c) of the MO Tariff for UFE shall be sub-allocated to Transmission Customers on the basis of Measured Demand:

Charge Code	Description	Allocation
64740	Real-Time Unaccounted for EIM Energy Settlement	Measured Demand

8.4 Charges for Under-Scheduling or Over-Scheduling Load

8.4.1 Under-Scheduling Load

Any charges to the LADWP EIM Entity pursuant to Section 29.1 1(d)(1) of the MO Tariff for underscheduling load shall be assigned to the Transmission Customers subject to Schedule 4 based on each Transmission Customer's respective under-scheduling imbalance ratio share, which is the ratio of the Transmission Customer's under-scheduled load imbalance amount relative to all other Transmission Customers' under-scheduled load imbalance amounts who have under-scheduled load for the Operating Hour, expressed as a percentage as follows:

Charge Code	Description	Allocation
6045	Overscheduling and Underscheduling Charge	directly allocated

8.4.2 Over-Scheduling Load

Any charges to the LADWP EIM Entity pursuant to Section 29.1 1(d)(2) of the MO Tariff for overscheduling load shall be assigned to the Transmission Customers subject to Schedule 4 based on each Transmission Customer's respective over-scheduling imbalance ratio share, which is the ratio of the Transmission Customer's over-scheduled load imbalance amount relative to all other Transmission Customers' over-scheduled load imbalance amounts who have over-scheduled load for the Operating Hour, expressed as a percentage as follows:

Charge Code	Description	Allocation
6045	Overscheduling and Underscheduling Charge	directly allocated

8.4.3 **Distribution of Under-Scheduling or Over-Scheduling Proceeds**

Any payment to the LADWP EIM Entity pursuant to Section 29.1 1(d)(3) of the MO Tariff shall be distributed to Transmission Customers on the basis of Metered Demand and in accordance with the procedures outlined in the LADWP EIM BP:

Charge Code	**Description**	**Allocation**
6046	Under Scheduling and Over Scheduling Allocation	Metered Demand

8.5 **EIM Uplifts**

8.5.1 **EIM Entity BAA Real-Time Imbalance Energy Offset**

Any charges to the LADWP EIM Entity pursuant to Section 29.1 1(e)(3) of the MO Tariff for EIM BAA real-time imbalance energy offset be sub-allocated to Transmission Customers on the basis of Measured Demand:

Charge Code	**Description**	**Allocation**
6478	Real Time Imbalance Energy Offset – system	Measured Demand
64770	Real Time Imbalance Energy Offset EIM	Measured Demand

8.5.2 **EIM Entity BAA Real-Time Congestion Offset**

Any charges to the LADWP EIM Entity pursuant to Section 29.11 (e)(2) of the MO Tariff for the EIM real-time congestion offset shall be allocated to Transmission Customers on the basis of Measured Demand:

Charge Code	**Description**	**Allocation**
67740	Real Time Congestion Offset EIM	Measured Demand

8.5.3 **EIM Entity Real-Time Marginal Cost of Losses Offset**

Any charges to the LADWP EIM Entity pursuant to Section 29.1 1(e)(4) of the MO Tariff for real-time marginal cost of losses offset shall be sub-allocated to Transmission Customers on the basis of Measured Demand:

Charge Code	Description	Allocation
69850	Real Time Marginal Losses Offset EIM	Measured Demand

8.5.4 **EIM Neutrality Settlement**

Any charges to the LADWP EIM Entity pursuant to Section 29.11 (e)(5) of the MO Tariff for EIM neutrality settlement shall be sub-allocated on the basis of Measured Demand:

Charge Code	Description	Allocation
8989	Daily Neutrality Adjustment	Measured Demand
8999	Monthly Neutrality Adjustment	Measured Demand

8.5.5 **Real-Time Bid Cost Recovery**

Any charges to the LADWP EIM Entity pursuant to Section 29.11(f) of the MO Tariff for EIM real-time bid cost recovery shall be sub-allocated to Transmission Customers on the basis of Measured Demand:

Charge Code	Description	Allocation
66200	Bid Cost Recovery EIM Settlement	Measured Demand
66780	Real Time Bid Cost Recovery Allocation EIM	Measured Demand

8.5.6 **Flexible Ramping Product**

Any charges or payments to the LADWP EIM Entity pursuant to Section 29.11(p) of the MO Tariff for the Flexible Ramping Product shall be sub-allocated to Transmission Customers on the basis on the basis of Measured Demand:

Charge Code	Description	Allocation

7070	Flexible Ramp Forecasted Movement Settlement	Measured Demand
7076	Flexible Ramp Forecasted Movement Allocation	Measured Demand
7077	Daily Flexible Ramp Up Uncertainty Award Allocation	Measured Demand
7078	Monthly Flexible Ramp Up Uncertainty Award Allocation	Measured Demand
7087	Daily Flexible Ramp Down Uncertainty Award Allocation	Measured Demand
7088	Monthly Flexible Ramp Down Uncertainty Award Allocation	Measured Demand

8.5.7 **Inaccurate or Late Actual Settlement Quality Meter Data Penalty**

To the extent the LADWP EIM Entity incurs a penalty for inaccurate or late actual settlement quality meter data, pursuant to Section 37.11.1 of the MO Tariff, the LADWP EIM Entity shall directly assign the penalty to the offending Transmission Customer. Specifically, the charge is identified and allocated as follows:

Charge Code	**Description**	**Allocation**
1591	EP Penalty Charge due CAISO Trustee	directly allocated
1592	EP Penalty Allocation Payment	LADWP EIM Entity

8.5.8 **Other EIM Settlement Provisions**

Any charges to the LADWP EIM Entity pursuant to the MO Tariff for the EIM settlement shall be sub-allocated. The charges shown in the following table shall be sub-allocated as follows:

Charge Code	**Description**	**Allocation**
7989	Invoice Deviation (distribution and allocation)	LADWP EIM Entity
7999	Invoice Deviation Interest Allocation	LADWP EIM Entity
2999	Default Invoice Interest Payment	LADWP EIM Entity
3999	Default Invoice Interest Charge	LADWP EIM Entity
5024	Invoice Late Payment Penalty	LADWP EIM Entity
5025	Financial Security Posting (Collateral) Late Payment Penalty	LADWP EIM Entity
5900	Shortfall Receipt Distribution	LADWP EIM Entity

5901	Shortfall Allocation Reversal	LADWP EIM Entity
5910	Shortfall Allocation	LADWP EIM Entity
5912	Default Loss Allocation	LADWP EIM Entity
8526	Generator Interconnection Process GIP Forfeited Deposit Allocation	LADWP EIM Entity
6196	Spinning Reserve Neutrality Allocation	LADWP EIM Entity
6296	Non-Spinning Reserve Neutrality Allocation	LADWP EIM Entity

8.6 **MO Tax Liabilities**

Any charges to the LADWP EIM Entity pursuant to Section 29.22(a) of the MO Tariff for MO tax liability as a result of the EIM shall be sub-allocated to those Transmission Customers triggering the tax liability.

8.7 **EIM Transmission Service Charges**

There shall be no incremental transmission charge assessed for transmission use related to the EIM.

Participating Resources and Balancing Authority Area Resources will not incur unreserved use charges solely as a result of EIM Dispatch Instruction. Schedule 11 of this Tariff shall apply to any amount of actual metered generation in an Operating Hour, if any, which is in excess of the sum of both: (1) the greatest positive Dispatch Operating Point or Manual Dispatch of the LADWP EIM Participating Resource received during the Operating Hour, and (2) the Transmission Customer's Reserved Capacity. Any ancillary service charges that are applicable to Schedule 11 charges shall apply and shall include Schedules 1 and 1A of this Tariff.

8.8 **Variable Energy Resource Forecast Charge**

Any costs incurred by the LADWP EIM Entity related to the preparation and submission of resource Forecast Data for a Transmission Customer with a Non-Participating Resource electing either method (1) or (2), as set forth in Section 4.2.4.2 of this Attachment O, shall be allocated to the Transmission Customer with a Non-Participating Resource electing to use either such method.

For a Transmission Customer with a Non-Participating Resource electing method (3), as set forth in Section 4.2.4.2 of this Attachment O, any charges to the LADWP EIM Entity pursuant to Section 29.1 1(j)(1) of the MO Tariff for Variable Energy Resource forecast

charges shall be sub allocated to the Transmission Customer with a Non-Participating Resource requesting such forecast as follows:

Charge Code	Description	Allocation
701	Forecasting Service Fee	directly allocated

8.9 **EIM Payment Calendar**

Pursuant to Section 29.11(l) of the MO Tariff, the LADWP EIM Entity shall be subject to the MO's payment calendar for issuing settlement statements, exchanging invoice funds, submitting meter data, and submitting settlement disputes to the MO. The LADWP EIM Entity shall follow Section 7 of this Tariff for issuing invoices regarding the EIM.

8.10 **EIM Residual Balancing Account**

To the extent that MO EIM-related charges or payments to the LADWP EIM Entity are not captured elsewhere in Attachment H, Schedules 1, 1A, 4, and 9 of this Tariff, or this Section 8, those charges or payments shall be placed in a balancing account, with interest accruing at the rate established in 18 C.F.R. § 35.19(a)(2)(iii), until modified by the Transmission Provider's Board of Commissioners and Los Angeles City Council.

8.11 **Market Validation and Price Correction**

If the MO modifies the LADWP EIM Entity settlement statement in accordance with the MO's market validation and price correction procedures in the MO Tariff, the LADWP EIM Entity reserves the right to make corresponding or similar changes to the charges and payments sub-allocated under this Attachment O.

8.12 **Allocation of Operating Reserves**

Any payments or charges to the LADWP EIM Entity pursuant to Section 29.11(n)(1) or 29.11(n)(2) of the MO Tariff for operating reserve obligations shall not be sub-allocated to Transmission Customers:

Charge Code	Description	Allocation
6194	Spinning Reserve Obligation Settlement	LADWP EIM Entity
6294	Non-Spinning Reserve Obligation Settlement	LADWP EIM Entity

9. Compliance

9.1 Provision of Data

Transmission Customers with LADWP EIM Participating Resources and LADWP EIM Participating Resource Scheduling Coordinators are responsible for complying with information requests they receive directly from the EIM market monitor or regulatory authorities concerning EIM activities.

A Transmission Customer with LADWP EIM Participating Resources or a Transmission Customer with Non-Participating Resources must provide the LADWP EIM Entity with all data necessary to respond to information requests received by the LADWP EIM Entity from the MO, the EIM market monitor, or regulatory authorities concerning EIM activities.

If the LADWP EIM Entity is required by applicable laws or regulations, or in the course of administrative or judicial proceedings, to disclose information that is otherwise required to be maintained in confidence, the LADWP EIM Entity may disclose such information; provided, however, that upon the LADWP EIM Entity learning of the disclosure requirement and, if possible, prior to making such disclosure, the LADWP EIM Entity shall notify any affected party of the requirement and the terms thereof. The party can, at its sole discretion and own cost, direct any challenge to or defense against the disclosure requirement. The LADWP EIM Entity shall cooperate with the affected party to obtain proprietary or confidential treatment of confidential information by the person to whom such information is disclosed prior to any such disclosure.

The LADWP EIM Entity shall treat all Transmission Customer and Interconnection Customer data and information provided to it as market-sensitive and confidential, unless the LADWP EIM Entity is otherwise allowed or required to disclose. The LADWP EIM Entity shall continue to abide by the Commission's Standards of Conduct and handle customer information accordingly.

9.2 Rules of Conduct

These rules of conduct are intended to provide fair notice of the conduct expected and to provide an environment in which all parties may participate in the EIM on a fair and equal basis.

Transmission Customers must:

(i) Comply with Dispatch Instructions and LADWP EIM Entity operating orders in accordance with Good Utility Practice. If some limitation prevents the Transmission Customer from fulfilling the action requested by the MO or the LADWP EIM Entity, the Transmission Customer must immediately and directly communicate the nature of any such limitation to the LADWP EIM Entity;

(ii) Submit bids for resources that are reasonably expected to both be and remain available and capable of performing at the levels specified in the bid, based on all information that is known or should have been known at the time of submission;

(iii) Notify the MO and/or the LADWP EIM Entity, as applicable, of outages in accordance with Section 7 of this Attachment O;

(iv) Provide complete, accurate, and timely meter data to the LADWP EIM Entity in accordance with the metering and communication requirements of this Tariff and maintain responsibility to ensure the accuracy of such data communicated by any customer-owned metering or communications systems. To the extent such information is not accurate or timely when provided to the LADWP EIM Entity, the Transmission Customer shall be responsible for any consequence on settlement and billing;

(v) Provide information to the LADWP EIM Entity, including the information requested in Sections 4.2.1, 4.2.2, 4.2.3, 4.2.4 and 9.1 of this Attachment O, by the applicable deadlines; and

(vi) Utilize commercially reasonable efforts to ensure that forecasts are accurate and based on all information that is known or should have been known at the time of submission to the LADWP EIM Entity.

9.3 **Enforcement**

The LADWP EIM Entity may refer a violation of Section 9.2 of this Attachment O to its Board of Commissioners and/or the MO for further action.

10. **Market Contingencies**

10.1 **Temporary Suspension by the MO**

In the event that the MO implements a temporary suspension in accordance with Section 29.1 (d)(1) of the MO Tariff, including the actions identified in Section 29.1 (d)(5), the

LADWP EIM Entity shall utilize Schedules 4A, 9A, 11, 12A and Sections 15.7 and 28.5 of LADWP Tariff until the temporary suspension is no longer in effect or, if the MO determines to extend the suspension, for a period of time sufficient to process termination of the LADWP EIM Entity's participation in the EIM in accordance with Section 29.1(d)(2) of the MO Tariff.

10.2 Termination of Participation in EIM by the LADWP EIM Entity

If the LADWP EIM Entity submits a notice of termination of its participation in the EIM to the MO in accordance with the applicable agreements and Section 4.1.1.5 of this Attachment O, in order to mitigate price exposure during the 180-day period between submission of the notice and the termination effective date, the LADWP EIM Entity may invoke the following corrective actions by requesting that the MO:

(i) prevent EIM Transfers and separate the LADWP EIM Entity's BAA from operation of the EIM in the EIM Area; and

(ii) suspend settlement of EIM charges with respect to the LADWP EIM Entity. Once such corrective actions are implemented by the MO, the LADWP EIM Entity shall utilize Schedules 4A, 9A, and Sections 15.7 and 28.5 of LADWP's Tariff.

If the LADWP EIM Entity takes action under this Section 10.2, the LADWP EIM Entity shall notify the MO and Transmission Customers.

10.3 Corrective Actions Taken by the LADWP EIM Entity for Temporary Contingencies

The LADWP EIM Entity may declare a temporary contingency and invoke corrective actions for the EIM when in its judgment -

(i) operational circumstances (including a failure of the EIM to produce feasible results in LADWP's BAA) have caused or are in danger of causing an abnormal system condition in LADWP's BAA that requires immediate action to prevent loss of load, equipment damage, or tripping system elements that might result in cascading outages, or to restore system operation to meet the applicable Reliability Standards and reliability criteria established by NERC and WECC; or

(ii) communications between the MO and the LADWP EIM Entity are disrupted and prevent the LADWP EIM Entity, the LADWP EIM Entity Scheduling

Coordinator, or an LADWP EIM Participating Resource Scheduling Coordinator from accessing MO systems to submit or receive information.

10.3.1 **Corrective Actions for Temporary Contingencies**

If either of the above temporary contingencies occurs, the LADWP EIM Entity may invoke the following corrective actions by requesting that the MO:

(i) prevent EIM Transfers and separate the LADWP EIM Entity's BAA from operation of the EIM in the EIM Area; and/or

(ii) suspend settlement of EIM charges with respect to the LADWP EIM Entity.

When corrective action under 10.3.1 (2) is implemented or if the MO Tariff requires the use of these temporary schedules to set an administrative price, the LADWP EIM Entity shall utilize Schedules 4A, 9A, and Sections 15.7 and 28.5 of LADWP's Tariff.

If the LADWP EIM Entity takes action under this Section 10.3, the LADWP EIM Entity shall notify the MO and Transmission Customers. The LADWP EIM Entity and the MO shall cooperate to resolve the temporary contingency event and restore full EIM operations as soon as is practicable.

ATTACHMENT P

Transmission Line Ratings

Proposed Effective Date: Three years from the date this Attachment P is approved by the governance bodies of LADWP, including the Los Angeles City Council.

General:

The Transmission Provider will implement Transmission Line Ratings on the transmission lines over which it provides Transmission Service, as provided below.

Definitions:

The following definitions apply for purposes of this Attachment:

(1) "Transmission Line Rating" means the maximum transfer capability of a transmission line, computed in accordance with a written Transmission Line Rating 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, line traps, and transformers.

(2) "Ambient-Adjusted Rating" (AAR) means a Transmission Line Rating that:

(a) Applies to a time period of not greater than one hour.

(b) Reflects an up-to-date forecast of ambient air temperature across the time period to which the rating applies.

(c) Reflects the absence of solar heating during nighttime periods, where the local sunrise/sunset times used to determine daytime and nighttime periods are updated at least monthly, if not more frequently.

(d) Is calculated at least each hour, if not more frequently.

(3) "Seasonal Line Rating" means a Transmission Line Rating that:

(a) Applies to a specified season, where seasons are defined by the Transmission Provider to include not fewer than four seasons in each year, and to reasonably reflect portions of the year where expected high temperatures are relatively consistent.

(b) Reflects an up-to-date forecast of ambient air temperature across the relevant season over which the rating applies.

(c) Is calculated annually, if not more frequently, for each season in the future for which Transmission Service can be requested.

(4) "Near-Term Transmission Service" means 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 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.

(5) "Emergency Rating" means 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.

System Reliability:

If the 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 the Transmission Provider may use such an alternate rating. The 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.

Obligations of Transmission Provider:

The Transmission Provider will have the following obligations.

The Transmission Provider must use AARs as the relevant Transmission Line Ratings when performing any of the following functions: (1) evaluating requests for Near-Term Transmission Service; (2) responding to requests for information on the availability of potential Near-Term Transmission Service (including requests for ATC or other information related to potential service); or (3) posting ATC or other information related to Near-Term Transmission Service to the Transmission Provider's OASIS site or another password-protected website.

The Transmission Provider must use AARs as the relevant Transmission Line Ratings when determining whether to curtail (under section 13.6) Firm Point-To-Point Transmission Service or when determining whether to curtail and/or interrupt (under section 14.7) Non-Firm Point-To-Point Transmission Service if such curtailment and/or interruption is both necessary because of issues related to flow limits on transmission lines and anticipated to occur (start and end) within 10 days of such determination. For determining whether to curtail or interrupt Point-To-Point Transmission Service in other situations, the Transmission Provider must use Seasonal Line Ratings as the relevant Transmission Line Ratings.

The Transmission Provider must use AARs as the relevant Transmission Line Ratings when determining whether to curtail (under section 33) or redispatch (under sections 30.5 and/or 33) Network Integration Transmission Service or secondary service if such curtailment or redispatch is both necessary because of issues related to flow limits on transmission lines and anticipated to occur (start and end) within 10 days of such determination. For determining the necessity of curtailment or redispatch of Network Integration Transmission Service or

secondary service in other situations, the Transmission Provider must use Seasonal Line Ratings as the relevant Transmission Line Ratings.

The Transmission Provider must use Seasonal Line Ratings as the relevant Transmission Line Ratings when evaluating requests for and whether to curtail, interrupt, or redispatch 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. The Transmission Provider must use Seasonal Line Ratings as a recourse rating in the event that an AAR otherwise required to be used under this Attachment is unavailable.

The Transmission Provider must use uniquely determined Emergency Ratings for contingency analysis in the operations horizon and in post-contingency simulations of constraints. Such uniquely determined Emergency Ratings must also include separate AAR calculations for each Emergency Rating duration used.

In developing forecasts of ambient air temperature for AARs and Seasonal Line Ratings, the Transmission Provider must develop such forecasts consistent with Good Utility Practice and on a non-discriminatory basis.

Postings to OASIS or another password-protected website: The 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: The 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 (1) above.

Exceptions: Where the Transmission Provider determines, consistent with Good Utility Practice, that the Transmission Line Rating of a transmission line is not affected by ambient air temperature or solar heating, the Transmission Provider may use a Transmission Line Rating for that transmission line that is not an AAR or Seasonal Line Rating. Examples of such a transmission line may include (but are not limited to): (1) a transmission line for which the technical transfer capability of the limiting conductors and/or limiting transmission equipment is not dependent on ambient air temperature or solar heating; or (2) a transmission line whose transfer capability is limited by a Transmission System limit (such as a system voltage or stability limit) which is not dependent on ambient air temperature or solar heating. The Transmission Provider must document in its database of Transmission Line Ratings and Transmission Line Rating methodologies on OASIS or another password-protected website any exceptions to the requirements contained in this Attachment initiated under this paragraph, including the nature of and basis for each exception, the date(s) and time(s) that the exception was initiated, and (if applicable) the date(s) and time(s) that each exception was withdrawn and the standard rating became effective again. If the technical basis for an exception under this paragraph changes, then the Transmission Provider must update the relevant Transmission Line Rating(s) in a timely manner. The Transmission Provider must reevaluate any exceptions taken under this paragraph at least every five years.

Attachment C

Redline version of LADWP's OATT, marked to show changes against its current OATT, inclusive of the proposed changes (in PDF format)

OPEN ACCESS

TRANSMISSION TARIFF

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I. COMMON SERVICE PROVISIONS

1 Definitions

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 the 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 the 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 load Interchange-generation balance within a BAA, 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 BA. The BA maintains load-resource balance within this area. For purposes of this Tariff, "BAA" shall have the same meaning as "Control Area."

1.7 Balancing Authority Area Resource:

A resource owned by LADWP, or voluntarily contracted for by LADWP to provide EIM Available Balancing Capacity, that can provide regulation and load following services to enable the LADWP EIM Entity to meet reliability criteria. No resource unaffiliated with the LADWP EIM Entity shall be a Balancing Authority Area Resource solely on the basis of one or more of the following reasons:

1. the resource is a Designated Network Resource;
2. the resource flows on a Point-to-Point Transmission Service reservation; and/or

3. the resource is an Interconnection Customer under the Tariff.

1.8 Bid Cost Recovery (BCR):

The MO EIM settlements process through which LADWP EIM Participating Resources recover their bid costs.

1.8A Bookout:

A transaction in which energy or capacity contractually committed bilaterally for delivery is not actually delivered due to some offsetting or countervailing trade.

1.9 California Independent System Operator Corporation (CAISO):

A state-chartered, California non-profit public benefit corporation that operates the transmission facilities of all CAISO participating transmission owners and dispatches certain generating units and loads. The CAISO is the MO for the EIM.

1.10 CAISO BAA or CAISO Controlled Grid:

The system of transmission lines and associated facilities of the CAISO participating transmission owners that have been placed under the CAISO's operational control.

1.11 Commission:

The Federal Energy Regulatory Commission.

1.12 Completed Application:

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

1.13 Control Area:

An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

1. match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
2. maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
3. maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
4. provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

1.14 Curtailment:

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

1.15 Delivering Party:

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

1.16 Designated Agent:

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

1.17 Direct Assignment Facilities:

Facilities or portions of facilities that are constructed by the 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 the Transmission Customer.

1.18 Dispatch Instruction:

An instruction by the MO for an action with respect to a specific LADWP EIM Participating Resource or Balancing Authority Area Resource for

increasing or decreasing its energy supply or demand.

1.19 Dispatch Operating Point:

The expected operating point, in MW, of an LADWP EIM Participating Resource that has received a Dispatch Instruction from the MO or a Balancing Authority Area Resource to which the LADWP EIM Entity has relayed a Dispatch Instruction received from the MO. For purposes of Attachment O of this Tariff, the Dispatch Operating Point means the MW output, of

i. an LADWP EIM Participating Resource due to an EIM bid being accepted and the LADWP EIM Participating Resource receiving a Dispatch Instruction; or

ii. a Balancing Authority Area Resource for which a Dispatch Instruction has been issued by the CAISO with respect to EIM Available Balancing Capacity.

1.20 Dynamic Transfer:

The provision of the real-time monitoring, telemetering, computer software, hardware, communications, engineering, energy accounting (including inadvertent Interchange), and administration required to electronically move all or a portion of the real energy services associated with a generator or load out of one BAA into another. A Dynamic Transfer can be either:

1. a Dynamic Schedule: a telemetered reading or value that is updated in

real time and used as a schedule in the AGC/ACE equation and the integrated value of which is treated as an after-the-fact schedule for Interchange accounting purposes; or

2. a Pseudo-Tie: a functionality by which the output of a generating unit physically interconnected to the electric grid in a native BAA is telemetered to and deemed to be produced in an attaining BAA that provides BA services for and exercises BA jurisdiction over the generating unit.

1.21 e-Tag:

An electronic tag associated with a schedule in accordance with the requirements of the North American Electric Reliability Corporation (NERC), the Western Electricity Coordinating Council (WECC), or the North American Energy Standards Board (NAESB).

1.22 EIM:

The Energy Imbalance Market. The real-time market to manage transmission congestion and optimize procurement of imbalance energy (positive or negative) to balance supply and demand deviations for the EIM Area through economic bids submitted by EIM Participating Resource Scheduling Coordinators in the fifteen-minute and five-minute markets.

1.23 EIM Area:

The combination of LADWP EIM Entity BAA, the CAISO BAA, and the BAAs of any other EIM Entities.

1.24 EIM Available Balancing Capacity:

Any upward or downward capacity from a Balancing Authority Area Resource that has not been bid into the EIM and is included in the LADWP EIM Entity's Resource Plan.

1.25 EIM Entity:

A BA, other than the LADWP EIM Entity, that enters into the MO's pro forma EIM Entity Agreement to enable the EIM to occur in its BAA.

1.26 EIM Transfer:

The transfer of real-time energy resulting from an EIM Dispatch Instruction:

1. between the LADWP EIM Entity BAA and the CAISO BAA;
2. between the LADWP EIM Entity BAA and an EIM Entity BAA; or
3. between the CAISO BAA and an EIM Entity BAA using transmission capacity available in the EIM.

1.27 Eligible Customer:

i. Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person

generating electric energy for sale for resale is an Eligible Customer under the Tariff~~; provided, however, an Eligible Customer satisfies the creditworthiness procedures set forth in Attachment L and meets the creditworthiness requirements prior to any transaction with Transmission Provider.~~. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider.

ii. Any retail customer taking unbundled transmission service pursuant to a state requirement that the Transmission Provider offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer under the Tariff.

~~iii. Any entity without a Service Agreement but determined to be engaged in an Unreserved Use of the transmission system is an Eligible Customer under the Tariff.~~

1.27A Emergency:

Any abnormal system condition that requires automatic or immediate manual action to prevent or limit the failure of transmission facilities or generation supply that could adversely affect the reliability of the Transmission Provider's or a third party's Transmission System.

1.28 Facilities Study:

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

1.29 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.

1.30 Flexible Ramping Product:

The costs associated with meeting a requirement, established by the MO, that may be enforced in the MO's EIM optimization to ensure that the unit commitment or dispatch of resources for intervals beyond the applicable commitment or dispatch period provide for the availability of required

capacity for dispatch in subsequent real-time dispatch intervals.

1.31 Flexible Ramping Forecast Movement:

A resource's change in forecasted output between market intervals for purposes of the Flexible Ramping Product.

1.32 Flexible Ramping Uncertainty Award:

A resource's award for meeting a Flexible Ramping Uncertainty Requirement under the Flexible Ramping Product.

1.33 Flexible Ramping Uncertainty Requirement:

Flexible ramping capability to meet the Flexible Ramping Product requirements established by the MO.

1.34 Forecast Data:

Information provided by Transmission Customers regarding expected load (as determined pursuant to Section 4.2.4.3 of Attachment O of this Tariff), generation, Intrachange, and Interchange, as specified in Section 4.2.4 of Attachment O and the LADWP EIM BP. The Transmission Customer Base Schedule includes Forecast Data that is used by the LADWP EIM Entity as the baseline by which to measure Imbalance Energy for purposes of EIM settlement.

1.35 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).

1.36 Imbalance Energy:

The deviation of supply or demand from the Transmission Customer Base Schedule, positive or negative, as measured by metered generation, metered load, or real-time Interchange or Intrachange schedules.

1.37 Instructed Imbalance Energy (IIE):

There are three scenarios that can lead to settlement of imbalance as IIE:

1. operational adjustments of the Transmission Customer's affected Interchange or Intrachange, which includes changes by the Transmission Customer after T-57,
2. resource imbalances created by Manual Dispatch or an EIM Available

Balancing Capacity dispatch, or

3. an adjustment to resource imbalances created by adjustments to resource forecasts pursuant to Section 11.5 of the MO Tariff.

1.38 Interchange:

E-Tagged energy transfers from, to, or through the LADWP EIM Entity BAA or other BAAs, not including EIM Transfers.

1.39 Interconnection Customer:

Any Eligible Customer (or its Designated Agent) that executes an agreement to receive generation interconnection service pursuant to Attachments M or N of this Tariff.

1.40 Interruption:

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

1.41 Intrachange:

E-Tagged energy transfers within the LADWP EIM Entity BAA, not including real-time actual energy flows associated with EIM Dispatch Instructions.

1.42 LADWP:

Refers to Los Angeles Department of Water and Power Transmission

Provider.

1.43 LADWP BAA:

Refers to the BAA operated by LADWP Transmission Provider.

1.44 LADWP BAA Transmission Owner:

A transmission owner, other than the LADWP EIM Entity, who owns transmission facilities in LADWP's BAA.

1.45 LADWP EIM Business Practice (LADWP EIM BP):

The business practice posted on LADWP's OASIS that contains procedures related to LADWP's implementation of EIM.

1.46 LADWP EIM Entity:

The Transmission Provider in performance of its role as an EIM Entity under the MO Tariff and this Tariff, including, but not limited to, Attachment O.

1.47 LADWP EIM Entity BAA:

The collection of generation, transmission, and loads within the LADWP BAA modeled in the EIM with the MO for the LADWP EIM Entity which modeling excludes any generation, transmission and loads not served under this Tariff.

1.48 LADWP EIM Entity Scheduling Coordinator:

The Transmission Provider or the entity selected by the Transmission Provider

who is certified by the MO and who enters into the MO's pro forma EIM Entity Scheduling Coordinator Agreement.

1.49 LADWP EIM Participating Resource:

A resource or a portion of a resource:

1. that has been certified in accordance with Attachment O by the LADWP EIM Entity as eligible to participate in the EIM; and
2. for which the generation owner and/or operator enters into the MO's pro forma EIM Participating Resource Agreement.

1.50 LADWP EIM Participating Resource Scheduling Coordinator:

A Transmission Customer with one or more LADWP EIM Participating Resource(s) or a third-party designated by the Transmission Customer with one or more LADWP EIM Participating Resource(s), that is certified by the MO and enters into the MO's pro forma EIM Participating Resource Scheduling Coordinator Agreement.

1.51 LADWP Interchange Rights Holder:

A Transmission Customer who has informed the LADWP EIM Entity that it is electing to make reserved firm transmission capacity available for EIM Transfers without compensation.

1.52 Load Aggregation Point (LAP):

A set of Pricing Nodes that is used for the submission of bids and settlement of demand in the EIM.

1.53 Load Ratio Share:

Ratio of a Transmission Customer's Network Load to the 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.

1.54 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.

1.55 Locational Marginal Price (LMP):

The marginal cost ($/MWh) of serving the next increment of demand at that PNode consistent with existing transmission constraints and the performance characteristics of resources.

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

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

1.57 Manual Dispatch:

An operating order issued by the LADWP EIM Entity to a Transmission Customer with an LADWP EIM Participating Resource or a Non-Participating Resource in the LADWPEIM Entity BAA, outside of the EIM optimization, when necessary to address reliability or operational issues in the LADWP EIM Entity BAA that the EIM is not able to address through economic dispatch and congestion management.

1.58 Market Operator (MO):

The entity responsible for operation, administration, settlement, and oversight of the EIM.

1.59 Measured Demand:

Measured Demand includes (1) Metered Demand, plus (2) e-Tagged export volumes sourced from the LADWP EIM Entity BAA, and (3) e-Tagged volumes wheeling through the LADWP EIM Entity BAA. Measured Demand excludes e-Tagged volumes from generating resources pseudo-tied out of the LADWP EIM Entity BAA and EIM Transfers.

1.60 Metered Demand:

Metered load volumes in the LADWP EIM Entity BAA.

1.61 MO Tariff:

Those portions of the MO's approved tariff (as cited in the LADWP EIM BP), as such tariff may be modified from time to time, that specifically apply to the operation, administration, settlement, and oversight of the EIM.

1.62 Native Load Customers:

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

1.63 Network Customer:

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

1.64 Network Integration Transmission Service:

The transmission service provided under Part III of the Tariff.

1.65 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, the 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.

1.66 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.

1.67 Network Operating Committee:

A group made up of representatives from the Network Customer(s) and the 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.

1.68 Network Resource:

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

1.69 Network Upgrades:

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

1.70 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.

1.71 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.

1.72 Non-Participating Resource:

A resource in the LADWP EIM Entity BAA that is not an LADWP EIM Participating Resource.

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

The information system and standards of conduct contained in Part 37 of the Commission's regulations and all additional requirements implemented by the Transmission Provider dealing with OASIS.

1.74 Operating Hour:

The hour when the EIM runs and energy is supplied to load.

1.75 Pacific Prevailing Time or PPT:

The local time in Los Angeles, California.

1.76 Part I:

Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.

1.77 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.

1.78 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.

1.79 Parties:

The Transmission Provider and the Transmission Customer receiving service under the Tariff.

1.80 Point(s) of Delivery:

Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the 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.

1.81 Point(s) of Receipt:

Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the 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.

1.82 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.

1.83 Power Purchaser:

The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

1.84 Pre-Confirmed Application:

An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

1.85 Preschedule Day:

The preschedule day identified in WECC’s Approved Preschedule Calendar

for the given calendar year.

1.86 Pricing Node (PNode):

A single network node or subset of network nodes where a physical injection or withdrawal is modeled by the MO and for which the MO calculates an LMP that is used for financial settlements by the MO and the LADWP EIM Entity.

1.87 Real Power Losses:

Electrical losses associated with the use of the Transmission Provider's Transmission System and, where applicable, the use of the Transmission Provider's distribution system. Such losses are provided for in Sections 15.7 and 28.5 of the Tariff and settled financially under Schedule 12.

1.88 Receiving Party:

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

1.89 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.

1.90 Reserved Capacity:

The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the 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.

1.91 Resource Plan:

The combination of load, resource and Interchange components of the Transmission Customer Base Schedule, ancillary services plans of the LADWP EIM Entity, bid ranges submitted by LADWP EIM Participating Resources, and the EIM Available Balancing Capacity of Balancing Authority Area Resources.

1.92 Service Agreement:

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

1.93 Service Commencement Date:

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

1.94 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 ~~or less~~.

1.94A Substitute Designated Network Resource:

A resource not previously designated by a Network Customer under Section ~~29.2~~29.2 that (1) goes to physical delivery to serve the Network Customer's Network Load, (2) solely as a result of a Bookout involving a Network Resource executed during the day prior to commencement of service, and (3) uses the transmission path previously reserved for the booked out Network Resource pursuant to Section ~~29~~29 of the Tariff to deliver power to the Network Customer's Network Load.

1.95 System Condition

A specified condition on the 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 the Transmission Customer's Service Agreement.

1.96 System Impact Study:

An assessment by the 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.

1.97 Tariff:

This Open Access Transmission Tariff as may be amended from time to time.

1.98 Third-Party Sale:

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

1.99 Transmission Customer:

Any Eligible Customer (or its Designated Agent) that executes a Service Agreement. 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.

1.100 Transmission Customer Base Schedule:

An energy schedule that provides Transmission Customer hourly-level Forecast Data and other information that is used by the LADWP EIM Entity as the baseline by which to measure Imbalance Energy for purposes of EIM settlement. The term "Transmission Customer Base Schedule" as used in this Tariff may refer collectively to the components of such schedule (resource, Interchange, Intrachange, and load determined pursuant to Section 4.2.4.3 of Attachment O) or any individual components of such schedule.

1.101 Transmission Provider:

The transmitting utility (or its Designated Agent) that owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides transmission service under the Tariff.

1.102 Transmission Provider's Monthly Transmission System Peak:

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

1.103 Transmission Service:

Point-To-Point Transmission Service provided under Part II of the Tariff on a

firm and non-firm basis.

1.104 Transmission System:

The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of the Tariff.

1.105 Uninstructed Imbalance Energy (UIE):

For Non-Participating Resources in an EIM Entity BAA, the MO shall calculate UIE as either: (1) the algebraic difference between the resource's 5-minute meter data and the resource component of the Transmission Customer Base Schedule, or, if applicable, (2) the 5-minute meter data and any Manual Dispatch or EIM Available Balancing Capacity dispatch.

For Transmission Customers with load in the LADWP EIM Entity BAA, the LADWP EIM Entity shall calculate UIE as the algebraic difference between the Transmission Customer's actual hourly load and the Transmission Customer Base Schedule.

1.106 Unreserved Use:

Unreserved Use shall have the meaning ascribed in Section 13.4 of the Tariff.

1.107 Variable Energy Resource:

A device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or

operator; and (3) has variability that is beyond the control of the facility owner or operator.

2 Initial Allocation and Renewal Procedures

2.1 Initial Allocation of Available Transfer Capability

For purposes of determining whether existing capability on the 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) day period commencing with the effective date of the Tariff will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 13.2.

2.2 Continuation of Service

Subject to the Service Agreement term limitations in Section 13.1 and Section 28.1A, existing firm service customers (wholesale requirements and transmission-only, with a contract term greater than one year), have the right to continue to take transmission service from the Transmission Provider when

the contract expires, rolls over or is renewed; provided, however, the total term for any Service Agreement, including all renewal options, is limited to three (3) years, unless:

2.2.1 In the reasonable but exclusive determination of Transmission Provider, the Eligible Customer has satisfied the requirements of the Governmental Person Use Certification and the requirements of Section 5.2 of this Tariff; or

2.2.2 The Transmission Provider and a firm service customer with a contract term of two (2) years or more have mutually agreed to add the following automatic renewal option to the initial Transmission Service Agreement:

> "**Automatic renewal option**": This TSA will automatically renew for an additional term of two (2) years, unless either Party notifies the other party of the termination of this automatic renewal option on or before the date that is one (1) year prior the last day of the initial term of the TSA, and one (1) year prior to the last day of each subsequent term of the TSA thereafter"; or

The applicable transmission service contract specifies otherwise, provided that in the reasonable but exclusive determination of Transmission Provider, such contract does not jeopardize the tax-exempt status of any municipal bond(s)

used to finance the Transmission Provider's facilities that would be used in providing such transmission service.

2.3 Competing Requests

This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the 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 requesting service (up to three (3) years in duration) and be willing to pay the current rate for such service, as approved by the Transmission Provider's Board of Commissioners and the Los Angeles City Council for such service; provided that, the firm service customer (i) shall have a right of first refusal at the end of such service only if the Transmission Customer has not exhausted its three (3) year Service Agreement limitation and (ii) may only renew the service for a period such that the total term of the Service Agreement, including all renewal options, does not exceed three (3) years, unless in the reasonable but exclusive determination of Transmission Provider, the Eligible Customer has satisfied the requirements of the Governmental Person Use Certification and the

requirements of Section 5.2 of this Tariff; or the Transmission Provider and a firm service customer with a contract term of two (2) years or more have mutually agreed to add the automatic renewal option set forth in Section 2.2.2 of this Tariff to the initial Transmission Service Agreement. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than six (6) months 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 ~~greater than~~of one year or longer.

2.4 Prior Service Agreements

Service agreements entered into prior to the effective date of this Tariff, unless terminated, will be subject to the renewal procedures above on the first roll over date after the effective date of this Tariff; except that, if the service agreement includes provisions governing continuation, renewal, or extension of service upon expiration of service agreement, then those terms shall govern, provided that in the reasonable but exclusive determination of Transmission Provider such continuation, renewal, or extension would not jeopardize the tax-exempt status of any municipal bond(s) used to finance the

Transmission Provider's facilities that would be used in providing such transmission service.

3 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), and the 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.

The Transmission Provider is required to offer to provide (or offer to arrange with the local Control Area operator as discussed below) the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Control Area (i) Regulation and Frequency Response~~, (ii) Energy Imbalance and Frequency Response Service~~ or Generator Regulation and Frequency Response Service, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, and (iv) Operating Reserve - Supplemental. The Transmission Customer serving load within the Transmission Provider's Control Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), to the extent it is physically feasible to do so from its resources or from resources available to it, Generator Imbalance Service when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer using Transmission Service to deliver energy from a generator located within the Transmission Provider's Control Area is required to acquire Generator Imbalance Service, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider. A Transmission Customer that exceeds its firm 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 that were provided by the Transmission Provider associated with the unreserved service pursuant to Schedule 11. The Transmission Customer or

Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.

If the Transmission Provider is a transmitting utility providing transmission service but is not a Control Area operator for any segment of the transmission path, it may be unable to provide some or all of the Ancillary Services. In this case, the Transmission Provider can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services from the Control Area operator. The Transmission Customer may elect to (i) have the Transmission Provider act as its agent, (ii) secure the Ancillary Services directly from the Control Area operator, or (iii) secure the Ancillary Services (discussed in Schedules 3, 4, 5, 6, 9, and 10) from a third party or by self-supply when technically feasible.

The Transmission Provider ~~specifies~~shall specify the rate treatment and all related terms and conditions in the event of an ~~unreserved~~unauthorized use of Ancillary Services by the Transmission Customer in Schedule 11.

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 the Transmission Provider in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by the 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 the 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:

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 Generator Regulation and Frequency Response Service:

Where applicable the rates and/or methodology are described in Schedule 10.

4 Open Access Same-Time Information System (OASIS)

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in business practices and posted on OASIS. In the event available transfer capability as posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 19 and 32.

The 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. The 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. The Transmission Provider shall also post on OASIS and its public website an electronic link to a statement of the process by which the 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 the 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 the Transmission Provider deems appropriate.

5 Municipal Tax Exempt Bonds

5.1 Transmission Provider Own Facilities Financed by Tax Exempt and Tax Credit Bonds:

Notwithstanding any other provision of this Tariff, the 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 municipal bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service.

5.2 Governmental Person Use Certificate

5.2.1 The Transmission Provider may provide Transmission Service to an Eligible Customer in which the total term for any Service Agreement, including all renewal options, is greater than three (3) years, if the Eligible Customer provides a Governmental Person Use Certificate to the

Transmission Provider, substantially in the form of Attachment A-2, consisting of a signed and notarized declaration, from a senior management representative who is duly authorized to represent Eligible Customer.

5.2.2 Any dispute between Transmission Provider and the Eligible Customer as to the determinations made by Transmission Provider in this Section 5.2 shall not be subject to the dispute resolution provisions of Section 12 of this Tariff; provided that nothing in this Section 5.2 shall be construed as affecting in any way the ability of the Transmission Provider or Eligible Customer to exercise rights under any applicable law or regulations.

5.2.3 To facilitate the review by the Transmission Provider of the Eligible Customer Certification provided for in 5.2.1, the Eligible Customer may include documentary support, such as an IRS letter ruling or an unqualified opinion of a nationally-recognized bond counsel supporting the statements in the Certification. The Transmission Provider shall review and respond to the Eligible Customer's submission of a Governmental Person Use Certificate within forty-five (45) days of receipt of said Certificate**.**

5.2.4 After Transmission Provider's review of the Eligible Customer Certification provided in Section 5.2.1, which may include review by Transmission Provider's bond counsel, Transmission Provider will inform the Eligible Customer whether or not providing the Eligible Customer with a

term of service longer than three (3) years pursuant to the Eligible Customer Certification would jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities. The Transmission Provider shall exercise reasonable but exclusive judgment to make such determination. Eligible Customer agrees to pay or reimburse Transmission Provider for reasonable costs and expenses (including fees and expenses of counsel) that may be incurred by Transmission Provider for review of the individual Eligible Customer's Governmental Person Use Certificate.

5.2.5 An Eligible Customer that has been informed by Transmission Provider after the review in Section 5.2.4 that it qualifies for Transmission Service under a Service Agreement in which the total term, including all renewal options, is greater than three (3) years, may only sell, lay-off, or otherwise transfer in any manner, any individual service transaction pursuant to the provisions set forth in Section 23 of this Tariff, if the total term of the Service Agreement at the time of such sale, layoff or other transfer, including all renewal options, does not exceed three (3) years, unless in the reasonable but exclusive determination of Transmission Provider, the other Eligible Customer to which such service is sold, laid-off or otherwise transferred has also satisfied the requirements of the Eligible Customer Certification in Section 5.2 of this Tariff, or unless such transfer is to the

operational control of an Independent System Operator or Regional Transmission Organization, subject to the reasonable but exclusive determination of Transmission Provider that such transfer would not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service and provided that Eligible Customer shall provide to Transmission Provider an unqualified opinion of a nationally-recognized bond counsel to Transmission Provider that such transfer will not jeopardize the tax-exempt status of any such municipal bonds. Any resale, assignment or transfer of service that fails to conform to the provisions of Sections 5.2.5 and 23 of this Tariff, by intent or otherwise, shall be void and unenforceable.

5.2.6 Eligible Customers that have executed the Governmental Person Use Certification (Attachment A-2) may transfer rights to Transmission Service on Transmission Provider's Facilities to the operational control of an Independent System Operator or Regional Transmission Organization, subject to the reasonable but exclusive determination of Transmission Provider that such transfer would not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service. The terms applicable to such transfer shall provide for preservation of the tax-

exempt status of financing instruments used to finance the Facilities. Eligible Customer shall provide to Transmission Provider assurance in the form of an unqualified opinion rendered by nationally-recognized bond counsel or similar documentation that is reasonably acceptable to Transmission Provider that transfer of operational control of Eligible Customer's rights to Transmission Service shall not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities.

6 Reciprocity

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to the Transmission Provider on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the 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 transmission-owning 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 the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates.

This reciprocity requirement applies not only to the 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 the 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 service is provided, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all

services furnished under the Tariff. Notwithstanding the prior sentence, the Transmission Provider may submit invoices for periods of less than a full month. The invoice shall be paid by the Transmission Customer ~~by the twentieth (20th) day~~within twenty (20) days of ~~the invoicing month or the tenth (10th) day after~~ receipt ~~of the invoice, whichever occurs earlier~~. All payments shall be made in immediately available funds in U.S. dollars payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider.

7.2 Interest on Unpaid Balances:

Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Transmission Provider.

7.3 Customer Default:

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the 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 the Transmission Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may provide written notice to the Transmission Customer of Transmission Provider's intent to terminate service sixty (60) calendar days from the date of such notice. Transmission Customer shall have seven (7) calendar days following the receipt of the Transmission Provider's notice of termination to submit a written request to the Transmission Provider to commence the dispute resolution procedures of Section 12 of this Tariff. If Transmission Customer does not provide such notice within seven (7) calendar days of receipt of the notice of termination, then Transmission Provider may terminate service to the Transmission Customer on the date specified in the notice of termination. If the Transmission Customer does submit a timely written request to commence dispute resolution procedures, then Section 12 of this Tariff shall apply. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an

independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days.

8 Accounting for the Transmission Provider's Use of the Tariff

The Transmission Provider shall 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 the 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 the Transmission Customer's billing under the Tariff.

9 Tariff and Rate Changes, Withdraw, and Reservation of Rights

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider to unilaterally propose a change in rates, terms and conditions, charges or classification of service. The Transmission Provider may also change the rates that apply to transmission service under any Service Agreement under this Tariff pursuant to applicable law.

The Transmission Provider reserves the right to withdraw and terminate the Tariff. However, the Transmission Provider will not terminate Transmission Service during the stated term of a Service Agreement. The Transmission Provider will also not terminate Transmission Service for Non-Firm Point-to-Point Service Agreements with a duration of less than 30 days. The Transmission Provider will provide thirty (30) days advance written notice prior to the terminating service under Service Agreements for Non-Firm Point-to-Point Transmission Service with a duration of more than thirty (30) days.

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the Tariff to exercise its rights under the Federal Power Act and pursuant to the

Commission's rules and regulations promulgated thereunder.

10 Force Majeure and Indemnification

10.1 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, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. Neither the Transmission Provider nor the 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.

10.2 Indemnification:

The Transmission Customer shall at all times indemnify, defend, and save the 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 the Transmission Provider's performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by the Transmission Provider. Provided, however, that the standard of liability for the actions of the LADWP EIM Entity performed consistent with Attachment O of this Tariff shall be gross negligence or intentional wrongdoing.

11 Creditworthiness

The Transmission Provider will specify its Creditworthiness procedures in Attachment L.

12 Dispute Resolution Procedures

12.1 Internal Dispute Resolution Procedures:

Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under the Tariff shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days (or such other period as the Parties may agree upon) by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

12.2 External Arbitration Procedures:

Arbitration may be initiated under the Tariff. In the event that the Parties mutually agree to arbitration, the Parties shall comply with the following procedures:

12.2.1 Such arbitration shall be conducted before a single neutral arbitrator appointed by the Parties.

12.2.2 If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral 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) days select a third arbitrator to chair the arbitration panel.

12.2.3 Whether a single arbitrator or a three-member arbitration panel is selected, the arbitrator(s) 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 generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association or Regional Transmission Group rules.

12.3 Arbitration Decisions:

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) 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 the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above 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 and/or the Administrative Dispute Resolution Act.

12.4 EIM Disputes:

12.4.1 Disputes between the LADWP EIM Entity and a Transmission Customer or Interconnection Customer Related to Allocation of Charges or Payments from the MO: To the extent a dispute arises between the LADWP EIM Entity and a Transmission Customer or Interconnection Customer regarding the LADWP EIM Entity's implementation of this Tariff's provisions regarding the manner in which the LADWP EIM Entity allocates charges or payments from the MO, the

parties shall follow the dispute resolution procedures in Sections 12.1 to 12.4 of this Tariff.

12.4.2 Disputes between the MO and LADWP EIM Participating Resource Scheduling Coordinators Related to EIM Charges and Payments Directly With the MO: Disputes involving settlement statements between the MO and LADWP EIM Participating Resource Scheduling Coordinators shall be resolved directly with the MO in accordance with the dispute resolution process outlined in the MO Tariff. A Transmission Customer with an LADWP EIM Participating Resource shall provide notice to the LADWP EIM Entity if it raises a dispute with the MO, and such notice shall be provided in accordance with the process set forth in the LADWP EIM BP.

12.4.3 Disputes between the MO and the LADWP EIM Entity: The LADWP EIM Entity may raise disputes with the MO regarding the settlement statements it receives from the MO in accordance with the process specified in the MO Tariff. If the LADWP EIM Entity submits a dispute it shall provide notice to Transmission Customers in accordance with the LADWP EIM BP.

12.4.4 Disputes Regarding MO Charges or Payments to the LADWP EIM Entity Raised by Transmission Customers or Interconnection Customers: To the extent a dispute arises regarding a MO charge or a MO payment to the LADWP EIM Entity that is subsequently charged or paid by the LADWP EIM Entity to a Transmission Customer or an Interconnection Customer, and such Transmission Customer or Interconnection Customer wishes to raise a dispute with the MO, the LADWP EIM Entity shall file a dispute on behalf of such Transmission Customer or Interconnection Customer in accordance with the MO Tariff and work with the Transmission Customer or the Interconnection Customer to resolve the dispute pursuant to the process specified in the MO Tariff.

12.5 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.

12.6 Rights Under The Federal Power Act:

Nothing in this section shall restrict the rights of any party to file a complaint

with the Commission under relevant provisions of the Federal Power Act.

12A Emergency Deviations

Notwithstanding any other provision in this Tariff, in an Emergency, the Transmission Provider, in its capacity as a Balancing Authority pursuant to applicable reliability rules adopted under Section 215 of the Federal Power Act, may take whatever actions are necessary and may direct a Network Customer to take whatever actions are necessary to keep the Transmission System in operation. The Transmission Provider shall post on its OASIS each Emergency that resulted in any deviation from the Tariff, within 24 hours of such deviation.

~~I.~~II. POINT-TO-POINT TRANSMISSION SERVICE

Preamble

The 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 hour and the maximum term, including all renewals granted in accordance

with Section 2, shall be limited to three years pursuant Section 5.1 of this Tariff, unless in the reasonable but exclusive determination of Transmission Provider, the Eligible Customer has satisfied the requirements of the Governmental Person Use Certification and the requirements of Section 5.2 of this Tariff, in which case the maximum term shall be specified in the Service Agreement; or the Transmission Provider and a firm service customer with a contract term of two (2) years or more have mutually agreed to add the automatic renewal option set forth in Section 2.2.2 of this Tariff to the initial Transmission Service Agreement.

13.2 Reservation Priority:

(i) 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.

(ii) Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction or reservation. However, Pre-Confirmed Applications 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 given to an Eligible Customer's request or reservation that offers the highest price, followed by the date and time of the request or reservation.

(iii) If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines: one 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 and lower price has the right of first refusal to match any longer-term request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the 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 the 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, price 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.

(iv) 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 2.3.

13.3 Use of Firm Transmission Service by the Transmission Provider:

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

13.4 Service Agreements:

The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service pursuant to the Tariff. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement ("Unreserved Use") will be deemed, for purposes of assessing any appropriate charges and penalties for such Unreserved ~~use~~Use, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional

curtailment options and is subject to a biennial reassessment as described in Section 15.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the 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 or Redispatch Costs:

In cases where the 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 the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider for any

necessary transmission facility additions pursuant to the terms of Section 27. To the extent the Transmission Provider can relieve any system constraint by redispatching the Transmission Provider's resources, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27 and agrees to either (i) compensate the Transmission Provider for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment by the Transmission Provider of redispatch requirements as described in Section 15.4. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the 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 the 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. Transmission Provider may elect to implement such Curtailments pursuant to the WECC procedures and protocols for unscheduled flow mitigation specified in Attachment J. If multiple transactions require

Curtailment, to the extent practicable and consistent with Good Utility Practice, the 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 the 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 the 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 the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments. Transmission

Provider shall take necessary measures to ensure reliability in LADWP's BAA in accordance with Section 6 of Attachment O.

13.7 Classification of Firm Transmission Service:

(a) The 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.

(b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the 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.

(c) The 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 the Transmission Customer shall be set

forth in the Firm Point-To-Point Service Agreement for Long-Term Firm 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 the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm 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 the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7. The 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. The

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 the 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.

(d) In the event ~~that a Transmission Customer or Eligible Customer 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~~of an Unreserved Use, the Transmission Customer or Eligible Customer shall pay an Unreserved Use charge and penalty in accordance with Schedule 11.

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

Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 3:00 p.m. PPT of the ~~day~~Preschedule Day prior to commencement of such service. Schedules submitted after 3:00 p.m. PPT will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen

minute schedules) schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Subject to Transmission Provider's prior approval, Transmission Customers within the 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 before the start of the next scheduling interval provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules and, when available, 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 the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the 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 Applications. 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 highest price offered by the Eligible Customer for the Transmission Service. 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 the 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 the 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 the 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 the Transmission Provider:

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales. The 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:

The Transmission Provider shall offer a standard form Non-Firm Point-To-

Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for 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. The 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. The Transmission Provider shall specify the rate treatment under Schedule 11 and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its non-firm capacity reservation. 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 an hourly, 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 the Transmission Provider no later than 3:00 p.m. PPT of the Preschedule Day prior to commencement of such service. Schedules submitted after 3:00 p.m. PPT will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the 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 up to twenty (20) minutes before the start of the next scheduling interval provided that the Delivering Party and Receiving Party also agree to the schedule modification. The 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 the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the 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:

The 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 may elect to implement such Curtailments pursuant to the WECC procedures and protocols for unscheduled flow mitigation specified in Attachment J. The 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) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, (4) transmission service for Network Customers from non-designated resources, or (5) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 15.4. The Transmission Provider also will discontinue or reduce

service to the 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. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice. Transmission Provider will take necessary measures to ensure reliability in LADWP's BAA in accordance

with Section 6 of Attachment O.

15 Service Availability

15.1 General Conditions:

The 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 the Transmission Provider's specific methodology for assessing available transfer capability posted on the 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, the Transmission Provider will ~~notify Transmission Customer of the need for~~respond by performing a System Impact Study ~~in accordance with Section 19.1.~~ .

15.3 Initiating Service in the Absence of an Executed Service Agreement:

If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, the Transmission Customer ~~or Transmission Provider~~ may submit a written

notification of the disputed terms and conditions pursuant to dispute resolution procedure of Section 12 of this Tariff. The written notification should detail the acceptable versus the disputed terms and conditions. The Transmission Provider may commence providing reliable Transmission Service in compliance with this Tariff and all Applicable Reliability Standards to the Transmission Customer under an unexecuted Point-To-Point Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service**,** subject to the Transmission Customer agreeing to (1) compensate Transmission Provider at its current just and reasonable rate, as approved by the Transmission Provider's Board of Commissioners and Los Angeles City Council, and (2) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

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

(a) If the 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, the 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 the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The 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 the Transmission Provider has the right to expand or modify.

(b) If the 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, the Transmission Provider will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. A Transmission Provider shall not

unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third-party resource.

(c) If the 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, the Transmission Provider will offer the Firm Transmission Service with the condition that the 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 the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or (iii) the 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:

The 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 the 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 Agreements:

Eligible Customers receiving transmission service under other agreements with the Transmission Provider may continue to receive transmission service under those agreements until such time as those agreements may expire or terminate. If the service agreement includes provisions governing continuation, renewal, or extension of service upon expiration of the service agreement, then those terms shall govern, provided that in the reasonable but exclusive determination of Transmission Provider continuation, renewal, or extension of such contract would not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service.

15.7 Real Power Losses:

Real Power Losses are associated with all transmission service. The

Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer shall compensate Transmission Provider for losses associated with all transmission service as provided in Schedule 12. The applicable Real Power Loss factors are as follows:

a. 5.02% for any delivery of energy using the Intermountain Power Project Direct Current segment; and

b. 6.07% for any delivery of energy using the Pacific Direct Current Intertie segment; and

c. 1.78% for any delivery of energy using only Alternating Current segments; and

d. An additional 5.89% loss factor will be included for any delivery of energy using the SYLMAR to PALOVERDE500 segments.

For any delivery of energy using a combination of segments, the highest loss factor will apply. Additionally, if the SYLMAR to PALOVERDE500 segment is used, then 5.89% will be added to the highest loss factor.

16 Transmission Customer Responsibilities

16.1 Conditions Required of Transmission Customers:

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

~~(a) The Transmission Customer has a pending transmission service request in the OASIS queue for Point-To-Point Transmission Service and, for any resale, reassignment or transfer of Firm Point-To-Point Transmission Service, it also has submitted an executed Service Agreement in the form of Attachment A-1 to the addressee identified in Section 17.1 of this Tariff;~~

~~(b)~~(a) ~~The Transmission Customer has~~The Transmission Customer has pending a Completed Application for service;

~~(c)~~(b) The Transmission Customer meets the creditworthiness criteria set forth in Section 11;

~~(d)~~(c) The Transmission Customer will have arrangements in place for any other transmission service necessary to ~~affect~~effect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of the Tariff commences;

~~(e)~~(d) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation;

~~(f)~~(e) The Transmission Customer provides the information required by the Transmission Provider's planning process established in

Attachment K;

~~(g)~~(f) The Transmission Customer has executed a Point-To-Point Service Agreement ~~including the necessary specifications for Long-Term Firm Point-To-Point Transmission Service~~ or has agreed to receive service pursuant to Section 15.3; and

~~(h) If applicable, the provisions of Section 5 have been satisfied.~~

~~(i)~~(g) The Transmission Customer must comply with the requirements of Attachment O regarding the EIM.

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 the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the Transmission Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the 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, the Transmission Provider will undertake reasonable efforts to assist the 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:

~~Subject to Sections 17.2 and 17.3 of this Tariff, a~~A request for ~~Long-Term~~ Firm Point-To-Point Transmission Service for periods ~~greater than~~of one year or longer must contain a written Application to: Attention: Manager of Transmission Contracts, Los Angeles Department of Water and Power, 111 N. Hope Street, Room 1246, Los Angeles, CA 90012, at least sixty (60) days but no greater than three (3) years in advance of the calendar month in which service is to commence. Requests for ~~Short-Term Firm Point-To-Point Transmission Service (~~firm service for periods of less than one year ~~or less)~~ shall be subject to ~~Section 17.2 of this Tariff, and any~~expedited procedures ~~posted on Transmission Provider's OASIS. Such requests~~that shall be ~~processed~~negotiated between the Parties within the time constraints provided in Section 17.5. ~~All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on~~ Prior to implementation of the Transmission Provider's OASIS~~. This method~~, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded

telephone line. Each of these methods will ~~be subject to~~provide a time-stamped record for establishing the priority of the Application~~. The Application procedures for Firm Point-To-Point Transmission Service can be found on the Transmission Provider's OASIS website~~.

17.2 Completed Application:

A Completed Application shall ~~comply with the requirements of Sections 17.1 and 17.2 of this Tariff and also include~~provide all of the information ~~identified~~included in 18 CFR § 2.20 including but not limited to the following:

(i) The identity, address, telephone number, electronic mail address, and facsimile number of the entity requesting service;

(ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

(iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;

(iv) 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. The 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 RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with ~~its Standards~~the standards of ~~Conduct~~conduct contained in Part 37 of the Commission's regulations;

(v) A description of the supply characteristics of the capacity and energy to be delivered;

(vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;

(vii) The Service Commencement Date and the term of the requested Transmission Service;

(viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;

(ix) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the

Transmission Provider can provide the requested Transmission Service; and

~~(x) A statement indicating which Ancillary Services the Eligible Customer will purchase from Transmission Provider. In the event the Eligible Customer chooses to self-supply any necessary Ancillary Services, the Eligible Customer must demonstrate the capability of meeting NERC and WECC requirements and is consistent with the Transmission Provider's Business Practices when acquiring all necessary Ancillary Services from another source; and~~

~~(xi)~~(x) Any additional information required by the Transmission Provider's planning process established in Attachment K.

The Transmission Provider shall treat this information consistent with ~~its Standards of Conduct.~~the standards of conduct contained in Part 37 of the Commission's regulations.

17.3 Deposit:

A Completed Application for Firm Point-To-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month. If the Application is rejected by the 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 (RFP), said deposit shall be returned with interest less any reasonable costs incurred by the Transmission Provider in connection with the review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by the Transmission Provider if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the deposit shall be refunded in full, with interest less ~~any~~ reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer. The Transmission Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the 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, with interest, will be returned to the Transmission Customer upon expiration or termination of the Service Agreement for Firm Point-To-Point Transmission

Service. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to the Transmission Provider's account.

17.4 Notice of Deficient Application:

If an Application fails to meet the requirements of the Tariff, the Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. The Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application, along with any deposit, with interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the 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 Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transfer capability as required in Section 15.2. The Transmission

Provider shall notify the 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 the 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 the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Transmission Provider's execution of the Service Agreement is subject to approval by its governing body. 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 or request the filing of an unexecuted service agreement pursuant to Section 15.3, within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded

with 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:

The Transmission Customer can obtain, subject to availability, up to two (2) one-year extensions for the commencement of service. The 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 15 days of notifying the 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 the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) 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 the 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 the Transmission Provider. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application.

18.2 Completed 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, facsimile number and electronic mail address of the entity requesting service;

(ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

(iii) The Point(s) of Receipt and the Point(s) of Delivery;

(iv) The maximum amount of capacity requested at each Point of Receipt and Point of Delivery; and

(v) The proposed dates and hours for initiating and terminating transmission service hereunder.

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

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

(vii) The electrical location of the ultimate load.

The Transmission Provider will treat this information in (vi) and (vii) as confidential at the request of the 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 RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with ~~its Standards~~the standards of ~~Conduct~~conduct contained in Part 37 of the Commission's regulations.

(viii) A statement indicating that, if the Eligible Customer submits a

Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the 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) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than ~~seven (7~~two (2) days before service is to commence, and requests for hourly service shall be submitted no earlier than 11:00 a.m. PPT of the Preschedule Day before service is to commence. Requests for service received later than the times specified above may be accommodated by Transmission Provider.

18.4 Determination of Available Transfer Capability:

Following receipt of a tendered schedule the 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 ~~Non-Firm Point-To-Point Service~~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) 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, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects to have the Transmission Provider study redispatch or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study~~,~~

~~including any costs that exceed the study deposit.~~. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider along with a study deposit of $50,000 within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement or fails to return it to Transmission Provider along with the study deposit within the time prescribed above, its ~~Application~~application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest.

19.2 System Impact Study Agreement and Cost Reimbursement:

(i) The System Impact Study Agreement will clearly specify the 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, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the

Transmission System.

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

(iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section ~~8.2~~20.

19.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement ~~within the time prescribed in Section 19.2~~, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including an estimate of the cost of redispatch, (3) conditional curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur, and (4) additional Direct

Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within ~~the sixty (60) day period~~such time, it shall so notify the 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 the Eligible Customer as soon as the System Impact Study is complete. The 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. The Transmission Provider shall notify the 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) days of completion of the System Impact Study, the Eligible Customer must execute a Service Agreement or request in writing an unexecuted Service Agreement pursuant to Section 15.3 of the Tariff and return it to Transmission Provider within the time prescribed, or the Application shall be deemed terminated and withdrawn.

19.4 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider along with a study deposit of $75,000 payable to LADWP within fifteen (15) days. If the 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 with

interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the 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 the Transmission Customer, (ii) the 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 time required to complete such construction and initiate the requested service. The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed

terminated and withdrawn.

19.5 Facilities Study Modifications:

Any change in design arising from inability to site 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 the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

19.6 Due Diligence in Completing New Facilities:

The Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The 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.

19.7 Partial Interim Service:

If the 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, the 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 and through redispatch. However, the 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.

19.8 Expedited Procedures for New Facilities:

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider

agrees to provide the 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 the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

19.9 Requirement to Meet Study Completion Deadline.

Transmission Provider is required to use due diligence to meet 60-day study completion deadline for System Impact ~~Study~~Studies and Facility ~~Impact Study pursuant to Sections 19.3 and 19.4 respectively~~Studies.

(i) The Transmission Provider is required to file a notice with Transmission Provider's Board of Commissioners in the event that more than twenty (20) percent of non-Affiliates' System Impact Studies and Facilities Studies completed by the Transmission Provider in any two consecutive calendar quarters are not completed within the 60-day study completion deadlines. Such notice must be filed within thirty (30) days of the end of the calendar quarter triggering the notice requirement.

(ii) For the purposes of calculating the percent of non-Affiliates' System Impact Studies and Facilities Studies processed outside of the 60-day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies. The Transmission Provider may provide an explanation in its notification filing to the Transmission Provider's Board of Commissioners if it believes there are extenuating circumstances that prevented it from meeting the 60-day study completion deadlines.

20 Procedures if The 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, the Transmission Provider shall promptly notify the Transmission Customer. In such circumstances, the Transmission Provider shall within thirty (30) days of notifying the Transmission Customer of such delays, convene a technical meeting with the

Transmission Customer to evaluate the alternatives available to the Transmission Customer. The Transmission Provider also shall make available to the Transmission Customer studies and work papers related to the delay, including all information that is in the possession of the Transmission Provider that is reasonably needed by the 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, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the 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, the Transmission Provider shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the

dispute resolution procedures pursuant to Section 12.

20.3 Refund Obligation for Unfinished Facility Additions:

If the Transmission Provider and the 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 the Transmission Customer shall be returned with interest pursuant to Commission regulations 18 CFR § 35.19a(a)(2)(iii). However, the Transmission Customer shall be responsible for all prudently incurred costs by the 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:

The 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. The Transmission Provider will undertake reasonable efforts to assist the 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, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the 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. The Transmission Provider shall notify the 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) days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12.

22 Changes in Service Specifications

22.1 Modifications On a Non-Firm Basis:

The Transmission Customer taking Firm Point-To-Point Transmission Service may request the 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.

(a) 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 the Transmission Provider on behalf of its Native Load Customers.

(b) The sum of all Firm and non-firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.

(c) The 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.

(d) 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, the 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 Resale, Assignment or Transfer of Service:

Subject to the provisions of Section 5~~.2~~ of this Tariff, Transmission Customer

may sell, assign, or transfer all or a portion of its rights under its Service Agreement to another Eligible Customer or to the operational control of an Independent System Operator or Regional Transmission Organization (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to Resellers shall ~~not exceed the higher of (i) the original rate paid~~be at rates established by agreement between the Reseller~~, (ii) the Transmission Provider's maximum rate on file at the time of the assignment, or (iii) the Reseller's opportunity cost capped at the Transmission Provider's cost of expansion~~ and the Assignee.

The Reseller and Assignee must execute the Form of Service Agreement for the Resale, Assignment or Transfer of Point-To-Point Transmission Service (Attachment A-1) with the Transmission Provider governing reassignments of transmission service prior to the date on which the reassigned service commences, unless the transfer is of operational control to an Independent System Operator or Regional Transmission Organization, in which case execution of Attachment A-1 is not required. Transmission Provider is not responsible for administering any financial arrangements between the Reseller and Assignee, including without limitation, the payment of financial losses and penalties. Reseller remains liable for any and all financial obligations and

payments to Transmission Provider under the parent Service Agreement except as specifically agreed to by the Transmission Provider and the Reseller through an amendment to the Service Agreement. Transmission Provider will not accept payment from an Assignee for a resale transaction on behalf of a Reseller. 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 transfer is to an Independent System Operator or Regional Transmission Organization, then only provisions of the OATT that are relevant to usage of the transferred rights under the Service Agreement will be applicable. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

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, the 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 the Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate the 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 the Transmission Provider and the Reseller through an amendment to the Service Agreement.

23.3 Information on Assignment or Transfer of Service:

In accordance with Section 4, all sales or assignments of capacity must be conducted through or otherwise posted on the Transmission Provider's OASIS on or before the date the reassigned service commences and are subject to Section 23.1. Resellers may also use the 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, the 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 the

Transmission Provider. Such equipment shall remain the property of the Transmission Customer.

24.2 Transmission Provider Access to Metering Data:

The 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, the Transmission Customer is required to maintain a power factor within the same range as the 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). The Transmission Provider shall use Part II of the Tariff to make its Third-Party Sales. The Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 8.

26 Stranded Cost Recovery

The Transmission Provider ~~reserves the right~~may seek to recover stranded costs from the Transmission Customer pursuant to this Tariff in accordance with the terms ~~and~~, conditions and procedures set forth in FERC Order No. 888 and pursuant to any other applicable law. The Transmission Provider's proposed stranded cost recovery shall be subject to the dispute resolution procedures of this Tariff.

27 Compensation for New Facilities and Redispatch Costs

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs. Whenever a System Impact Study performed by the Transmission Provider identifies capacity constraints that may be relieved by redispatching the Transmission Provider's resources to eliminate such constraints, the Transmission Customer shall be responsible for the redispatch costs.

III. NETWORK INTEGRATION TRANSMISSION SERVICE[1]

Preamble

[1] ~~Part III "Network Integration Transmission Service," including incorporated definitions and attachments become effective on the date posted on OASIS which shall not be later than February 1, 2019.~~

The 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 the 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 the Transmission Provider's Control 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, and

must comply with the requirements of Attachment O regarding the EIM.

28.1A Term of Service:

The minimum term of Network Integration Transmission Service shall be more than one year and the maximum term, including all renewals granted in accordance with Section 2, shall be limited to three years pursuant Section 5.1 of this Tariff, unless in the reasonable but exclusive determination of Transmission Provider, the Eligible Customer has satisfied the requirements of the Governmental Person Use Certification and the requirements of Section 5.2 of this Tariff, in which case the maximum term shall be specified in the Service Agreement; or the Transmission Provider and a firm service customer with a contract term of two (2) years or more have mutually agreed to add the automatic renewal option set forth in Section 2.2.2 of this Tariff to the initial Transmission Service Agreement.

28.2 Transmission Provider Responsibilities:

The 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 the Transmission Provider's Transmission System. The 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 the Transmission Provider to calculate available transfer capability. The 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 the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers.

28.3 Network Integration Transmission Service:

The 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 the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.

28.4 Secondary Service:

The Network Customer may use the 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 Transmission Provider is not obligated to provide Real Power Losses. The Network Customer shall compensate Transmission Provider for losses associated with all transmission service as provided in Schedule 12. The applicable Real Power Loss factors are as follows:

a. 5.02% for any delivery of energy using the Intermountain Power Project Direct Current segments; and

b. 6.07% for any delivery of energy using the Pacific Direct Current Intertie segment; and

c. 1.78% for any delivery of energy using only Alternating Current segments; and

d. An additional 5.89% loss factor will be included for any delivery of energy using the PALOVERDE500 to SYLMAR segments.

For any delivery of energy using a combination of segments, the highest loss factor will apply. Additionally, if the PALOVERDE500 to SYLMAR segment is used, then 5.89% will be added to the highest loss factor.

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 the Transmission Provider's Transmission System. The 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.

28.7 Participation in the EIM:

Notwithstanding the limitations in Section 28.6, Network Customers utilizing a Network Integration Transmission Service Agreement and Native Load Customer may participate in the EIM without a requirement to terminate the designation of any Network Resource that is an LADWP EIM Participating Resource consistent with Section 30.3 of this Tariff and without a requirement to reserve additional Point-To-Point Transmission Service for such transactions.

29 Initiating Service

29.1 Condition Precedent for Receiving Service:

Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4, (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff, and (iv) the Eligible Customer executes a Network Operating Agreement with the 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 the 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 the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods 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 facsimile number 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 the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission 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
- Approximate variable generating cost ($/MWH) for redispatch computations
- Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control 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 control area from which the power will originate
- Delivery point(s) to the 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
- Approximate variable generating cost ($/MWH) for redispatch computations;

(vi) Description of Eligible Customer's transmission system:

- Load 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 load flow format compatible with that used by the Transmission Provider
- Operating restrictions needed for reliability
- Operating guides employed by system operators
- Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the 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 Control Area ties with other Control 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) A statement indicating which Ancillary Services the Eligible Customer will purchase from Transmission Provider. In the event the Eligible Customer chooses to self-supply any necessary Ancillary Services, the Eligible Customer must demonstrate the capability of meeting NERC and WECC requirements and is consistent with the Transmission Provider's Business Practices when acquiring all necessary Ancillary Services from another~~

~~source; and~~

~~(x)~~(ix) Any additional information required of the Transmission Customer as specified in: (1) the Transmission Provider's planning process established in Attachment K; and (2) Attachment O.

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

consistent with ~~Transmission Provider's Standards~~the standards of ~~Conduct~~conduct contained in Part 37 of the Commission's regulations.

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

Network Integration Transmission Service shall not commence until the 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. The 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 the 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.

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 or participating in the EIM in accordance with Attachment O. Notwithstanding the preceding sentence, a designated Network Resource may be used to supply power to a third party on a firm basis to address or forestall an Emergency without a corresponding undesignation of that Network Resource. The supply of such power from the Network Resource may not last for more than two consecutive hours without undesignation and, within one business day of the last delivery of such emergency power, the Network Customer shall provide a notice to the Transmission Provider containing the details of such supply. Within one business day of receipt of such notice from the Network Customer, Transmission Provider will post the notice on its

OASIS. 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 the Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made through the 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 the 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 a part of a generating resource as a Network Resource by providing notification to the Transmission Provider through OASIS as soon as reasonably practicable, but not later than ~~the~~ following deadlines: (1) for terminations of a day or longer, no later than 3 p.m. PPT the day before the undesignation is to take effect; and (2) for termination with a duration of less than a day, as early as possible, but no later than 20 minutes before the start of the e-tag to which the undesignation applies. 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 the Transmission Provider will follow

the procedures for a deficient application as described in Section 29.2 of the Tariff. Information provided by a Network Customer necessary to redesignate a Network Resource following a period of temporary termination may incorporate by reference information provided pursuant to Section ~~29~~29 when that resource was first designated; provided, however, a Network Customer must provide a renewed attestation, as required by Section ~~29.2(viii),~~29.2(viii), in order to properly redesignate the Network Resource.

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 Control 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 LADWP EIM Participating Resources responding to Dispatch Instructions or to changes in the operation of a Transmission Customer's Network Resources at the request of the 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 the 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 the Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4. Schedule 11 of this Tariff specifies 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 the Transmission Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service. Power from a Substitute Designated Network Resource may be transmitted over network transmission capacity reserved under Section ~~29~~29 for the Bookout Network Resource, provided that the Network Customer must document the Substitute Designated Network Resource on its e-tag submitted to the Transmission Provider. Transmission Provider reserves the right to audit a Network Customer's compliance with this requirement. A Network Customer need not undesignate a Network Resource before engaging in a Bookout involving that Network

Resource.

30.5 Network Customer Redispatch Obligation:

As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.

30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The 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 the Transmission Provider's Transmission System. The 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.

30.7 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.

30.8 Use of Interface Capacity by the Network Customer:

There is no limitation upon a Network Customer's use of the 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 the Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's Load.

30.9 Network Customer Owned Transmission Facilities:

The Network Customer that owns existing transmission facilities that are integrated with the 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 the Transmission Provider, to serve its power and transmission customers. For facilities added by the Network Customer subsequent to ~~the date the Los Angeles City Council makes Part III effective~~January 29, 2019 at

00:00, the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of the 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 the Transmission Provider, would be eligible for inclusion in the Transmission Provider's ~~Annual Transmission Revenue Requirement~~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 the 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 the Transmission Provider:

The Network Customer shall provide the 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. The 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 32.4 and shall be charged to the Network Customer in accordance with LADWP's policies.

31.3 Network Load Not Physically Interconnected with the Transmission Provider

This section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with the Transmission Provider. To the extent that the Network Customer desires to obtain transmission service for a load outside the 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 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 the Transmission Provider's Transmission System and a Network Load, the Network Customer shall provide the 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 the Transmission Provider and charged to the Network Customer as reflected in the Service Agreement. However, the 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 the 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 the Transmission Provider's planning process in Attachment K. The Network Customer also shall provide the 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 the 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, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to

reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest.

32.2 System Impact Study Agreement and Cost Reimbursement:

(i) The System Impact Study Agreement will clearly specify the 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, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

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

(iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the 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, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including, to the extent possible, an estimate of the cost of redispatch, (3) available options for installation of automatic devices to curtail service (when requested by an Eligible Customer), and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested

service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the 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 the Eligible Customer as soon as the System Impact Study is complete. The 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. The Transmission Provider shall notify the 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) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or the Application shall be deemed terminated and withdrawn.

32.4 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the 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 the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30) 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, the 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 the Transmission Provider determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The Transmission Provider will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

33.2 Transmission Constraints:

During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures pursuant to the Network Operating Agreement to redispatch all Network Resources and the Transmission Provider's own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers and any

Network Customer's use of the Transmission System to serve its designated Network Load.

33.3 Cost Responsibility for Relieving Transmission Constraints:

Whenever the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint, the Transmission Provider and Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

33.4 Curtailments of Scheduled Deliveries:

If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Network Operating Agreement or pursuant to the Transmission Loading Relief procedures specified in Attachment J.

33.5 Allocation of Curtailments:

The 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 the Transmission Provider and Network Customer in proportion to

their respective Load Ratio Shares. The Transmission Provider shall not direct the Network Customer to Curtail schedules to an extent greater than the Transmission Provider would Curtail the Transmission Provider's schedules under similar circumstances.

33.6 Load Shedding:

To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for the 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.

33.7 System Reliability:

Notwithstanding any other provisions of this Tariff, the 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 the 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 the Transmission Provider's

Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the 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. The 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 the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers. The 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

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

35.1 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 the Transmission Provider's Annual Transmission Revenue Requirement specified in Attachment H.

35.2 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 the Transmission Provider under Section 31.3) coincident with the Transmission Provider's Monthly Transmission System Peak.

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

The Transmission Provider's monthly Transmission System load is the 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.

35.4 Redispatch Charge:

The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and the Transmission Provider pursuant to Section 33. To the extent that the Transmission Provider incurs an

obligation to the Network Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer's bill for the applicable month.

35.5 Stranded Cost Recovery:

The Transmission Provider ~~reserves the right~~may seek to recover stranded costs from the ~~Transmission~~Network Customer pursuant to this Tariff in accordance with the terms ~~and~~, conditions and procedures set forth in FERC Order No. 888 and pursuant to any other applicable law. The Transmission Provider's proposed stranded cost recovery shall be subject to the dispute resolution procedures of this Tariff.

36 Operating Arrangements

36.1 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.

36.2 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 the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, 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 Control Area under applicable guidelines of the Electric Reliability Organization (ERO) as defined in 18 C.F.R. § 39.1, (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or (iii) satisfy its Control 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. The 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.

36.3 Network Operating Committee:

If there are Network Customers, a Network Operating Committee (Committee) shall be established to coordinate operating criteria for the Parties' respective responsibilities under the Network Operating Agreement. If a Committee is established, each Network Customer shall be entitled to have at least one representative on the Committee, and 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 Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control 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 Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

All Transmission Customers required to acquire Scheduling, System Control and Dispatch Service shall pay a charge invoiced monthly for Scheduling, System Control and Dispatch Service provided by the Transmission Provider equal to the amount set forth below. For Point-to-Point Transmission Service, the rate shall be applied to the Transmission Customer’s Reserved Capacity.

Schedule 1 - Scheduling, System Control and Dispatch Service

Service	Period	Rates
Hourly	On-Peak	$0.~~344~~494/MWh
Hourly	Off-Peak	$0.~~163~~235/MWh
Daily	Full	$0.~~004~~006/kW-day
Weekly	Full	$0.~~027~~040/kW-mo
Monthly	Full	$0.~~119~~171/kW-mo
Yearly	Full	$~~1.429~~2.055/kW-yr

SCHEDULE 1A

EIM Administrative Service

This service recovers the administrative costs assessed by the CAISO as the MO of the EIM to the LADWP EIM Entity in accordance with Sections 4.5.1.1.4, 4.5.1.3, 11.22.8, and 29.11(i) of the MO Tariff (EIM Administrative Costs). All Transmission Customers purchasing Long Term Firm Point-to-Point Transmission Service, Short-Term Firm Point-to-Point Transmission Service, Non-Firm Point-to-Point Transmission Service, or Network Integration Transmission Service from the Transmission Provider shall be required to acquire EIM Administrative Service from the Transmission Provider.

EIM Administrative Costs assigned to the LADWP EIM Entity shall be sub-allocated to Transmission Customers on the basis of Measured Demand for the time period in which the EIM Administrative Costs were incurred.

SCHEDULE 2

Reactive Supply and Voltage Control from Generation or Other Sources Service

In order to maintain transmission voltages on the 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 control 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 the 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 the 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 the Transmission Provider.

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

service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the Control Area operator.

All Transmission Customers required to acquire reactive supply and voltage control shall pay a charge invoiced monthly for reactive supply and voltage control equal to the amount set forth below. For Point-to-Point Transmission Service, the rate shall be applied to the Transmission Customer's Reserved Capacity.

Schedule 2 – Reactive Supply and Voltage Control from Generation and Other Sources Service

Service	Period	Rates
Hourly	On-Peak	$0.~~499~~395/MWh
Hourly	Off-Peak	$0.~~237~~187/MWh
Daily	Full	$0.~~006~~005/kW-day
Weekly	Full	$0.~~040~~032/kW-wk
Monthly	Full	$0.~~173~~137/kW-mo
Yearly	Full	$~~2.078~~1.642/kW-yr

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 the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider).

The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation.

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

1. Regulation and Frequency Response Service Requirements:

The Transmission Customer's total load within the Transmission Provider's Control Area shall not exceed the Transmission Customer's Reserved Capacity, and the Transmission Provider shall have no obligation to provide this service for any other loads of the Transmission Customer.

A Transmission Customer purchasing Regulation and Frequency Response Service will be required to purchase an amount of such service equal to 1.885 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service. Where the Transmission Customer's Reserved Capacity is used to deliver power from a non-dispatchable resource physically or electrically located in the Transmission Provider's Control Area to the Transmission Customer's load, the Transmission Customer shall purchase Generator Regulation and Frequency Response Service under Schedule 10. The Transmission Provider may not charge a Transmission Customer for service under both Schedule 3 and Schedule 10 for the same Reserved Capacity. The billing determinants for this service shall be reduced by any portion of the 1.885 percent purchase obligation that a Transmission Customer obtains from third-parties or supplies itself.

2. Compensation to for Regulation and Frequency Response Service:

All Transmission Customers required to acquire Regulation and Frequency Response Service shall pay a charge invoiced monthly equal to the amount set forth below.

Schedule 3 – Regulation and Frequency Response Service

Service	Period	Rates
Hourly	On-Peak	$~~18.019~~33.473/MWh
Hourly	Off-Peak	$~~8.557~~15.896/MWh
Daily	Full	$0.~~206~~383/kW-day
Weekly	Full	$~~1.442~~2.678/kW-wk
Monthly	Full	$~~6.247~~11.604/kW-mo
Yearly	Full	$~~74.959~~139.249/kW-yr

SCHEDULE 4

Energy Imbalance Service

This Schedule 4 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended. In accordance with Section 10 of Attachment O of this Tariff, Schedule 4A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended.

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within the LADWP EIM Entity BAA over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within the LADWP EIM Entity BAA. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

A Transmission Customer shall be charged or paid for Energy Imbalance Service measured as the deviation of the Transmission Customer's metered load compared to the load component of the Transmission Customer Base Schedule (as determined pursuant to Section 4.2.4 of Attachment O of this Tariff) settled as UIE for the period of the deviation at the applicable LAP price where the load is located, as determined by the MO under Section 29.11(b)(3)(C) of the MO Tariff.

SCHEDULE 4A

Energy Imbalance Service when EIM Suspended

In accordance with Section 10 of Attachment O of this Tariff, this Schedule 4A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended. Schedule 4 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended.

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. An Interconnection Customer, as defined in Attachment M or N of the Tariff, as applicable, must pay imbalance charges in accordance with this Schedule. The Transmission Customer must either purchase this service from the 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 Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a 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 Transmission Provider has established charges for energy imbalance based on the deviation bands as follows:

(i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, using the Hourly Pricing Proxy;

(ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent the Hourly Pricing Proxy for under-scheduling or 90 percent of the Hourly Pricing Proxy for over-scheduling; and

(iii) deviation greater than +/- 7.5 percent (or greater than 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of the

Hourly Pricing Proxy for under-scheduling or 75 percent of the Hourly Pricing Proxy for over-scheduling.

Hourly Pricing Proxy: For purposes of this Schedule, "Hourly Pricing Proxy" is defined as the average price for each hour of the delivered energy price at SP15 day-ahead Index. In the event the referenced index price is negative, the referenced index price shall be deemed to be zero dollars ($0). At the end of each month, the Transmission Provider shall calculate the Hourly Pricing Proxy using pricing information from Dow Jones, the California ISO or another authenticated source.

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. The Transmission Provider must offer this service when the transmission service is used: (a) to serve load within the Transmission Provider's Control Area and (b) to support sales from generators located within its Control Area. The Transmission Customer must either purchase this service from the 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 Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

1. **Spinning Reserve Service Requirements:**

The Transmission Customer may purchase Spinning Reserve Service under this Tariff to satisfy its spinning reserve obligations commensurate with the amount of Reserved Capacity purchased from the Transmission Provider. Specifically, the Transmission Customer's total load within the Transmission Provider's Control Area

shall not exceed the Transmission Customer's Reserved Capacity, and the Transmission Provider shall have no obligation to provide this service for any other loads of the Transmission Customer.

If spinning reserves are provided by any party other than the Transmission Provider, sufficient transmission capacity shall be purchased to provide for the delivery of spinning reserves under any credible single contingency. Spinning reserves shall not be provided by the same generation resource supplying load, since loss of this resource represents a credible single contingency.

The Transmission Customer shall identify in its Application the manner by which it intends to provide for spinning reserves. The use of any resources owned by parties other than the Transmission Provider as spinning reserve resources shall be subject to verification by the Transmission Provider, and such resources shall conform to applicable WECC and NERC criteria for spinning reserves.

A Transmission Customer purchasing Spinning Reserve Service will be required to purchase an amount of such service equal to 4.~~874~~549 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service. However, a Transmission Customer shall purchase an amount of Spinning Reserve Service equal to 50 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service when the scheduled generation is determined by the Transmission Provider to be the most-severe-single contingency of the Transmission Provider during

the period of time in which service is provided. The billing determinants for this service shall be reduced by any portion of the percent purchase obligation that a Transmission Customer obtains from third-parties or supplies itself.

2. **Compensation for Spinning Reserve Service:**

All Transmission Customers required to acquire Spinning Reserve Service shall pay a charge invoiced monthly equal to the amount set forth below.

Schedule 5 – Operating Reserve – Spinning Reserve Service

Service	Period	4.~~874~~549% Purchase Requirement or 50% Purchase Requirement Rates
Hourly	On-Peak	$~~29.475~~32.957/MWh
Hourly	Off-Peak	$~~13.997~~15.651/MWh
Daily	Full	$0.~~337~~377/kW-day
Weekly	Full	$2.~~358~~637/kW-wk
Monthly	Full	$~~10.218~~11.425/kW-mo
Yearly	Full	$~~122.617~~137.103/kW-yr

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. The Transmission Provider must offer this service when the transmission service is used: (a) to serve load within its Control Area and (b) to support sales from generators located within its Control Area. The Transmission Customer must either purchase this service from the 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 Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

1. **Supplemental Reserve Service Requirements:**

The Transmission Customer may purchase Supplemental Reserve Service under this Tariff to satisfy its supplemental reserve obligations commensurate with the amount of Reserved Capacity purchased from the Transmission Provider. Specifically, the

Transmission Customer's total load within the Transmission Provider's Control Area shall not exceed the Transmission Customer's Reserved Capacity, and the Transmission Provider shall have no obligation to provide this service for any other loads of the Transmission Customer.

If supplemental reserves are provided by any party other than the Transmission Provider, sufficient transmission capacity shall be purchased to provide for the delivery of supplemental reserves under any credible single contingency.

The Transmission Customer shall identify in its Application the manner by which it intends to provide for supplemental reserves. The use of any resources owned by parties other than the Transmission Provider as supplemental reserve resources shall be subject to verification by the Transmission Provider, and such resources shall conform to applicable WECC and NERC criteria for supplemental reserves.

A Transmission Customer purchasing Supplemental Reserve Service will be required to purchase an amount of such service equal to 4.~~874~~549 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service. However, a Transmission Customer shall purchase an amount of Supplemental Reserve Service equal to 50 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service when the scheduled generation is determined by the Transmission Provider to be the most-severe-single contingency of the Transmission Provider during the period of time in which service is provided. The billing determinants

for this service shall be reduced by any portion of the percent purchase obligation that a Transmission Customer obtains from third-parties or supplies itself.

2. Compensation for Supplemental Reserve Service:

All Transmission Customers required to acquire Supplemental Reserve Service shall pay a charge invoiced monthly equal to the amount set forth below.

Schedule 6 – Operating Reserve – Supplemental Reserve Service

Service	Period	4.~~874~~549% Purchase Requirement or 50% Purchase Requirement Rates
Hourly	On-Peak	$~~6.707~~9.484/MWh
Hourly	Off-Peak	$~~3.185~~4.504/MWh
Daily	Full	$0.~~077~~108/kW-day
Weekly	Full	$0.~~537~~759/kW-wk
Monthly	Full	$~~2.325~~3.288/kW-mo
Yearly	Full	$~~27.903~~39.455/kW-yr

SCHEDULE 7

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

A. Rates: The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

1) **Yearly delivery**: one-twelfth of the demand charge of $~~35.234~~49.630/kW of Reserved Capacity per year.

2) **Monthly delivery**: $~~2.936~~4.136/kW of Reserved Capacity per month.

3) **Weekly delivery**: $0.~~678~~954/kW of Reserved Capacity per week.

4) **Daily delivery**: $0.~~097~~136/kW of Reserved Capacity per day.

5) **On-Peak Hourly delivery**: $~~8.470~~11.930/MW of Reserved Capacity per hour.

6) **Off-Peak Hourly delivery**: $~~4.022~~5.666/MW of Reserved Capacity per hour.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts or megawatts of Reserved Capacity in any day during such week. The basic charge for Hourly delivery shall not exceed the price per megawatts of Reserved Capacity per hour specified in sections (5) or (6) above during on-peak and off-peak hours, respectively. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (4) above for Daily delivery times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the

total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (3) above for Weekly delivery times the highest amount in kilowatts of Reserved Capacity in any hour during such week. For purposes of Hourly Delivery under this Schedule 7, "on-peak" hours shall be hours ending 07:00 through 22:00 PPT, Monday through Saturday excluding holidays, and "off-peak" hours shall be all other hours.

B. Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the 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, the 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.

C. 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

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

1) **Monthly delivery**: $~~2.936~~4.136/kW of Reserved Capacity per month.

2) **Weekly delivery**: $0.~~678~~954/kW of Reserved Capacity per week.

3) **Daily delivery**: $0.~~097~~136/kW of Reserved Capacity per day.

4) **On-Peak Hourly delivery**: $~~8.470~~11.930/MW of Reserved Capacity per hour.

5) **Off-Peak Hourly delivery**: $~~4.022~~5.666/MW of Reserved Capacity per hour.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week. The basic charge for Hourly delivery shall not exceed the price per megawatts of Reserved Capacity per hour specified in sections (4) or (5) above during on-peak and off-peak hours, respectively. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (4) or (5) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity

in any hour during such week. For purposes of Hourly Delivery under this Schedule 8, "on-peak" hours shall be hours ending 7:00 through 22:00 PPT, Monday through Saturday excluding holidays, and "off-peak" hours shall be all other hours.

B. Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the 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, the 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.

C. 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

This Schedule 9 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended. In accordance with Section 9 of Attachment O of this Tariff, Schedule 9A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended.

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the LADWP EIM Entity BAA that is not an LADWP EIM Participating Resource, and the resource component of the Transmission Customer Base Schedule from that generator to (1) a load external to the LADWP EIM Entity BAA or (2) a load within the LADWP EIM Entity BAA over a single hour. The 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 Control Area. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator.

The Transmission Provider shall establish charges for Generator Imbalance Service as follows (the following provisions do not apply to Transmission Customers which have received a Manual Dispatch or EIM Available Balancing Capacity dispatch

or which have communicated physical changes in the output of resources to the MO):

A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer's metered generation compared to the resource component of the Transmission Customer Base Schedule settled as UIE by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff.

The following provisions shall apply to Transmission Customers which have received a Manual Dispatch or EIM Available Balancing Capacity dispatch, or which have communicated physical changes in the output of resources to the MO or for other reasons imbalance energy is calculated by the MO:

(1) (a) A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer's metered generation compared to the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in the FMM or for other instructions by the MO, as UIE calculated by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B)

of the MO Tariff; or

(b) A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer's metered generation compared to the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in RTD or for other instructions by the MO, as UIE calculated by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff;

and

(2) (a) A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of either the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in the FMM or for other instructions by the MO, compared to the resource component of the Transmission Customer Base Schedule, as IIE calculated by the MO for the period of the deviation at the applicable PNode FMM price where the generator is located, as determined by the MO under

Section 29.11(b)(1)(A)(ii) of the MO Tariff; or

(b) Generator Imbalance Service measured as the deviation of either the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in RTD or for other instructions by the MO, compared to the FMM schedule, as IIE calculated by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(2)(A)(ii) of the MO Tariff.

Applicability to Interconnection Customers: To the extent the Interconnection Customer is a different entity than the Transmission Customer and controls the output of a generator located in the Transmission Provider's Control Area, the Interconnection Customer may be subject to charges for Generator Imbalance Service (rather than the Transmission Customer) in accordance with this Schedule 9.

SCHEDULE 9A

Generator Imbalance Service when EIM Suspended

In accordance with Section 10 of Attachment O of this Tariff, this Schedule 9A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended. Schedule 9 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended.

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Provider's Control Area and a delivery schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider's Control Area over a single hour. An Interconnection Customer, as defined in Attachment M or N of the Tariff, as applicable, must pay imbalance charges in accordance with this Schedule. The 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 Control Area.

The Transmission Customer must either purchase this service from the 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 Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to

reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator. The 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 Transmission Provider shall charge for Generator Imbalance Service based on the deviation bands as follows:

(i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, using the Hourly Pricing Proxy;

(ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent the Hourly Pricing Proxy for under-scheduling or 90 percent of the Hourly Pricing Proxy for over-scheduling; and

(iii) deviations greater than +/- 7.5 percent (or greater than 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that

occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of the Hourly Pricing Proxy for under-scheduling or 75 percent of the Hourly Pricing Proxy for over-scheduling, except that an intermittent resource will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5 percent or 2 MW. An intermittent resource, for the limited purpose of this Schedule is an electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security constraints.

Hourly Pricing Proxy: For purposes of this Schedule, "Hourly Pricing Proxy" is defined as the average price for each hour of the delivered energy price at SP15 day-ahead Index. In the event the referenced index price is negative, the referenced index price shall be deemed to be zero dollars ($0). At the end of each month, the Transmission Provider shall calculate the Hourly Pricing Proxy using pricing information from Dow Jones, the California ISO or another authenticated source.

Notwithstanding the foregoing, deviations from scheduled transactions in order to respond to directives by the Transmission Provider, a Control Area, or a reliability coordinator shall not be subject to the deviation bands identified above and, instead, shall be settled financially, at the end of the month, at 100 percent of the Hourly Pricing Proxy. Such directives may include instructions to correct frequency decay, respond to a reserve

sharing event, or change output to relieve congestion.

SCHEDULE 10

Generator **Regulation** and Frequency Response Service

Generator 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). Generator 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/or by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in generation output. The obligation to maintain this balance between resources and the generator's schedule lies with the Transmission Provider (or the Control Area that performs this function for the Transmission Provider).

The Transmission Provider (or the Control Area that performs this function for the Transmission Provider) must offer this service when transmission service is used to deliver energy from a generator physically or electrically located within the Transmission Provider's Control Area. Generator Regulation and Frequency Response Service applies to the extent that a Transmission Customer is not already subject to Regulation and Frequency Response Service provided under Schedule 3

for the same Reserved Capacity. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources or processes capable of providing this service, to satisfy its Generator Regulation and Frequency Response Service obligation.

The amount of and charges for Generator Regulation and Frequency Response Service are set forth below. To the extent a Control Area performs this service for the Transmission Provider, charges to the Transmission Customer or generator are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area. The Transmission Provider may not charge a Transmission Customer for service under both Schedule 3 and Schedule 10 for the same Reserved Capacity.

1. **Generator Regulation and Frequency Response Service Requirements**:

The Transmission Customer or generator shall identify in its Application the manner by which it intends to provide for Generator Regulation and Frequency Response Service. The use of any resources owned by parties other than the Transmission Provider shall conform to applicable the Western Electricity Coordinating Council (WECC) and the North American Electric Reliability Council (NERC) criteria.

A Transmission Customer or generator delivering energy outside of the Transmission Provider's Control Area from a dispatchable generation resource and

purchasing Generator Regulation and Frequency Response Service will be required to purchase such service based on 1.885 percent of the maximum name plate capacity of the generator.

A Transmission Customer delivering energy from a non-dispatchable generating resource: (a) to load in the Transmission Provider's Control Area, or (b) outside of the Transmission Provider's Control Area, shall in each case purchase Generator Regulation and Frequency Response Service based on ~~6.627~~14.272 percent of the maximum name plate capacity of the generator.

The billing determinants for this service shall be reduced by any portion of the purchase obligation that a Transmission Customer or generator obtains from third-parties or supplies itself.

2. Compensation to for Generator Regulation and Frequency Response Service:

All Transmission Customers required to acquire Generator Regulation and Frequency Response Service shall pay a charge invoiced monthly equal to the amount set forth below.

Schedule 10 – Generator Regulation and Frequency Response Service

Service	Period	1.885% Purchase Requirement (Note 1) Rates	~~6.627~~14.272% Purchase Requirement (Note 1) Rates
Hourly	On-Peak	$~~18.019~~33.479/MWh	$~~18.019~~33.479/MWh
Hourly	Off-Peak	$~~8.557~~15.898/MWh	$~~8.557~~15.898/MWh
Daily	Full	$0.~~206~~383/kW-day	$0.~~206~~383/kW-day
Weekly	Full	$~~1.442~~2.678/kW-wk	$~~1.442~~2.678/kW-wk

Monthly	Full	$~~6.247~~11.606/kW-mo	$~~6.247~~11.606/kW-mo
Yearly	Full	$~~74.959~~139.271/kW-yr	$~~74.959~~139.271/kW-yr

Note 1: 1.885% Purchase Requirement applies when using a dispatchable generation resource. ~~6.627~~14.272% Purchase Requirement applies when using a non-dispatchable generation resource.

SCHEDULE 11

Unreserved Use of Transmission Service

Subject to Attachment O, Section 8.7 of this Tariff, the Transmission Provider will impose an Unreserved Use charge and penalty in any circumstance where the 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 11, and in accordance with Section 13.4 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, the 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 and penalty. The Transmission Provider will calculate unreserved use penalties as follows:

1. The penalty for a single hour of Unreserved Use is two times the 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;
2. More than one Unreserved Use penalty assessment for service of a given duration will increase the penalty period to the next longest duration (e.g., hourly to daily, daily to weekly, weekly to monthly), with the penalty being two times the Transmission Provider's rate in effect at the time of the Unreserved Use for Firm

Point-To-Point Transmission Service for the applicable service duration; and

3. For the actual period of Unreserved Use, the Transmission Provider will charge the Eligible Customer for any ancillary services associated with the customer's Unreserved Use pursuant to the terms of Schedules 1, 2, 3, 4, 5, 6, 8, 9 and 10 of the Tariff.

SCHEDULE 12

Real Power Losses

This Schedule 12 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended. In accordance with Section 10 of Attachment O of this Tariff, Schedule 12A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended.

The Transmission Customer taking Network Integration Transmission Service, Firm Point-to-Point, or Non-Firm Point-to-Point Transmission Service, excluding Energy Imbalance Service and Generator Imbalance Service, shall reimburse the Transmission Provider for Real Power Losses as provided in Sections 15.7 and 28.5 of this Tariff. The Transmission Customer must financially settle for Real Power Losses by reimbursement as specified herein.

Settlement of Real Power Losses associated with Energy Imbalance Service shall be pursuant to Schedule 4 of this Tariff, and settlement of Real Power Losses associated with Generator Imbalance Service shall be pursuant to Schedule 9 of this Tariff. The procedures to determine the amount of Real Power Losses associated with a Transmission Customer's Base Schedule, as well as the reimbursement for Real Power Losses, are set forth below.

The amount of Real Power Losses assessed to a Transmission Customer in a given hour shall be the product of such Transmission Customer Base Schedule during the hour in MWhs and the applicable loss factor(s) provided in Sections 15.7 and 28.5.

The Transmission Customer shall compensate the Transmission Provider at a rate equal to the amount of Real Power Losses assessed to such Transmission Customer in a given hour multiplied by the hourly LAP price for the LADWP EIM Entity BAA in that hour as established by the MO under section 29.11 (b)(3)(C) of the MO Tariff.

SCHEDULE 12A

Real Power Losses when EIM Suspended

In accordance with Section 10 of Attachment O of this Tariff, this Schedule 12A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended. Schedule 12 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended.

Transmitting electricity at high voltage results in fractional energy lost due to resistance, which varies depending on voltage level and length of the transmission element. For any transmission service, there is an associated real power loss.

1. Loss Path

Transmission Customer acquiring Firm, or Non-Firm Point-to-Point Transmission Service or Network Integration Transmission Service shall reimburse Transmission Provider for Real Power Losses that result from transmitting electric energy across the Transmission Provider's Transmission System and such Real Power Losses will be assessed based on the Real Power Loss factor associated with the following paths:

a. Any path using the Pacific Direct Current Intertie or Intermountain Power Project Direct Current transmission line; or

b. Any path using the Palo Verde and Sylmar segments; or

c. Any path using alternating current segments.

2. Loss Settlement

Real Power Losses shall be the percentage identified in Section 15.7 and/or Section 28.5 of the Tariff, as applicable, multiplied by Transmission Customer's usage (measured in MWhs) as measured by the revenue-quality meter(s) installed at the Point(s) of Receipt during each hour less any curtailments, correction or adjustments mutually agreed on by Transmission Provider and Transmission Customer.

Transmission Customer shall compensate the Transmission Provider for each hour of service provided at a rate equal to the Hourly Pricing Proxy as defined in Schedule 4A or 9A.

ATTACHMENT A

Form Of Service Agreement For
Firm Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ ("Transmission Customer").

2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.

3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff. This section does not apply to Short-Term Transmission Agreements.

4.0 Service under this agreement shall commence on the later of (l) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

6.0 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:

_____

_____

_____

7.0 The Tariff is incorporated herein and made a part hereof.

8.0 For Long-Term Firm Point-to-Point Service, Transmission Customer has included the two-page form entitled *"Specifications For Long-Term Firm Point-To-Point Transmission Service"* and such form is made a part of this agreement.

9.0 The following provision applies, only if the contract term is two (2) years or more:

Automatic renewal option: This TSA will automatically renew for an additional term of two (2) years, unless either Party notifies the other party of the termination of this automatic renewal option on or before the date that is one (1) year prior the last day of the initial term of the TSA, and one (1) year prior to the last day of each subsequent term of the TSA thereafter.

10. If applicable (refer to Section 5.2 of the Tariff), Transmission Customer has attached the executed Governmental Use Certificate (refer to Attachment A-2 of the Tariff).

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

Transmission Provider:

By: _____ _____ _____
Name Title Date

Transmission Customer:

By: _____ _____ _____
Name Title Date

Specifications For Long-Term Firm Point-To-Point
Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

_____

3.0 Point(s) of Receipt:_____

Delivering Party:_____

4.0 Point(s) of Delivery:_____

Receiving Party:_____

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity):_____

6.0 Designation of party(ies) subject to reciprocal service obligation:_____
_____
_____
_____

7.0 Name(s) of any intervening systems providing transmission service:_____
_____

8.0 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.)

8.1 Transmission Charge:_____
_____

8.2 System Impact and/or Facilities Study Charge(s):
_____
_____

8.3 Direct Assignment Facilities Charge:_____
_____

8.4 Ancillary Services Charges: _____
_____
_____
_____
_____
_____
_____

ATTACHMENT A-1

**Form Of Service Agreement
For The Resale, Assignment Or Transfer
Of Point-To-Point Transmission Service**

An existing Transmission Customer in good standing may resell Point-to-Point Transmission Service ("Reseller") to another party ("Assignee"), which hereinafter may be referred to collectively as "Parties" and individually as "Party." Both Reseller and Assignee must execute this Form Of Service Agreement For The Resale, Assignment Or Transfer of Point-To-Point Transmission Service prior to the scheduling of any transmission service related hereto.

1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), _____ (the Reseller), and _____ (the Assignee).

2.0 Terms used herein with initial capitalization, whether in the singular or the plural, shall have the meanings specified in the Tariff and are hereby incorporated into this Service Agreement. Terms used herein, whether in the singular or the plural, which are not defined in the Tariff shall have the meanings set forth below:

2.1 Parent Reservation – an existing, confirmed reservation being modified by a Resale.

2.2 Resale – The request to convey scheduling rights associated with a reservation for Point-To-Point Transmission Service from a Reseller to an Assignee.

3.0 Transmission Provider shall provide Point-To-Point Transmission Service and Ancillary Services to the Assignee in accordance with Section 23 of the Tariff for each Resale transaction requested under this Service Agreement after each of the following conditions has been satisfied:

3.1 Assignee has entered into an agreement for Resale with Reseller;

3.2 Reseller has been determined by Transmission Provider to have submitted

on Transmission Provider's OASIS a Completed Application;

3.3 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained and Reseller and Assignee have executed this Service Agreement;

3.4 Reseller has resold Point-To-Point Transmission Service (Parent Reservation) purchased on Transmission Provider's OASIS for which Transmission Provider is the primary provider and for which there is sufficient available capacity on the Parent Reservation for the requested duration. The transmission service being resold may not have been previously scheduled, redirected, resold or otherwise encumbered; and

3.5 The Resale Transaction must be confirmed on OASIS prior to scheduling the capacity.

4.0 Assignee agrees to supply information Transmission Provider deems reasonably necessary in accordance with the provisions of Parts I and II of the Tariff and this Service Agreement.

5.0 Once the Assignee has met the conditions in Section 3 of this Service Agreement, Transmission Provider agrees to provide and Assignee agrees to take Point-To-Point Transmission Service and Ancillary Services requested for a transaction in accordance with the terms and conditions of Parts I and II of the Transmission Provider's Tariff, except for those terms and conditions specifically agreed to by Transmission Provider and included herein. .

6.0 Assignee acknowledges that it may be required by Reseller to compensate Reseller for Real Power Losses for which Reseller has compensated Transmission Provider in accordance with Schedule 12.

7.0 Assignee acknowledges that it may be required by Reseller to compensate Reseller for penalties as are provided for in the Tariff.

8.0 Transmission Provider is not responsible for administering any financial arrangements between the Reseller and the Assignee, including without limitation, the payment of financial losses.

9.0 Reseller remains liable for any and all financial obligations and payments to

Transmission Provider under the original service agreement and Parent Reservation. Transmission Provider will not accept payment from an Assignee for a resale transaction on behalf of a Reseller.

10.0 Any request from Assignee to redirect must be made on the Transmission Provider's OASIS, list Transmission Provider as the Provider and Seller, and may be subject to additional charges or credits if accepted and confirmed.

11.0 Any Resale reservation is subject to displacement should the Parent Reservation be displaced by a higher priority request.

12.0 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.

13.0 If applicable (refer to Section 5.2 of the Tariff), Transmission Customer has attached the executed Governmental Use Certificate (refer to Attachment A-2 of the Tariff).

Transmission Provider:

_____

_____

_____

Assignee:

_____

_____

Reseller:

_____

_____

14.0 The Tariff is incorporated herein and made a part hereof.

For Resale or Assignment of Long-Term Firm Point-to-Point Service, Assignee has included the two-page form entitled *"Specifications For The Resale, Assignment Or Transfer of Long-Term Firm Point-To-Point Transmission Service"* and such form is made a part of this agreement.

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

Transmission Provider:

By:_____ _____ _____
Name Title Date

Assignee:

By:_____ _____ _____
Name Title Date

Reseller:

By:_____ _____ _____
Name Title Date

Specifications For The Resale, Assignment Or Transfer of
Long-Term Firm Point-To-Point Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

_____

3.0 Point(s) of Receipt:_____

Delivering Party:_____

4.0 Point(s) of Delivery:_____

Receiving Party:_____

5.0 Maximum amount of reassigned capacity: _____

6.0 Designation of party(ies) subject to reciprocal service obligation:_____
_____
_____
_____

7.0 Name(s) of any Intervening Systems providing transmission service:_____
_____

8.0 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.)

8.1 Transmission Charge:_____

_____

8.2 System Impact and/or Facilities Study Charge(s):

_____

_____

8.3 Direct Assignment Facilities Charge:_____

_____

8.4 Ancillary Services Charges: _____

_____

_____

_____

_____

_____

_____

9.0 Name of Reseller of the reassigned transmission capacity:

_____

Attachment A-2

FORM OF

GOVERNMENTAL PERSON USE CERTIFICATE

PURSUANT TO SECTION 5.2

In connection with the execution of any transmission service agreement (the "TSA") between the Los Angeles Department of Water and Power ("Transmission Provider") and [NAME of COUNTER PARTY] ("Eligible Customer"), relating to Transmission Service provided over certain transmission facilities described therein (the "Facilities"), Eligible Customer certifies, represents and agrees as follows:

Officer Signing. I am the duly [elected/appointed] [Title] of Eligible Customer, authorized to sign this Certificate.

Tax-Exempt Bonds. Eligible Customer understands that this Certificate relates to Facilities that were financed with tax-exempt bonds, Build America Bonds and/or Qualified Energy Conservation Bonds, issued by or on behalf of the Transmission Provider.

Governmental Status. The Eligible Customer is a municipal utility that is owned by a state (of the United States) or local governmental unit or a political subdivision or instrumentality thereof, or is itself a state (of the United States) or local governmental unit or a political subdivision or instrumentality thereof (a "Governmental Person").

Qualifying Use. Except as provided below, for the term of any TSA, including any renewal periods, the Eligible Customer will use the Facilities to transmit electricity only in connection with its retail electric system in providing electricity to its retail electric customers.

Short-term Uses. Any sale, assignment, transfer or lay-off in any manner of any service provided to the Eligible Customer under any TSA shall comply with the Tariff procedures for resale, assignment or transfer of service, including but not limited to Sections 5.2.5 and Section 23 of this Tariff.

Governmental Person Uses Permitted. In the event there is to be a sale, lay-off, or other transfer in any manner, of any service pursuant to any TSA, by the Eligible Customer, to another Governmental Person for a period of longer than 3 years, such may only be permitted if such other Governmental Person satisfies the requirements of Section 5.2 and executes a form of this Certificate.

Transfers to ISOs/RTOs. Eligible Customer may transfer its rights to Transmission Service on Transmission Provider's Facilities to the operational control of an Independent System Operator or Regional Transmission Organization, in which case execution of this Certificate shall not be required, subject to the reasonable but exclusive determination of Transmission Provider that such transfer would not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service. The terms applicable to such transfer shall provide for preservation of the tax-exempt status of financing instruments used to finance the Facilities. Eligible Customer shall provide to Transmission Provider assurance in the form of an unqualified opinion rendered by nationally-recognized bond counsel or similar documentation that is reasonably acceptable to Transmission Provider that transfer of operational control of Eligible Customer's rights to Transmission Service shall not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities.

Additional information. Eligible Customer agrees to immediately inform, in writing, Transmission Provider of any change regarding the foregoing certifications, representations and agreements and agrees that, if such change is reasonably likely, in the discretion of Transmission Provider, to adversely affect the tax-exempt status of the Transmission Providers bonds, Transmission Provider may terminate any TSA in accordance with Tariff Section 5.1, to the extent necessary to prevent such adverse impact.

SUBSCRIBED AND SWORN BEFORE A NOTARY PUBLIC

Dated:

by_____

[Name and title of senior management representative duly authorized to represent Eligible Customer]

ATTACHMENT B

Form Of Service Agreement For Non-Firm Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ (Transmission Customer).

2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.

3.0 Service under this Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer.

4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

6.0 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:

_____

_____

_____

7.0 The Tariff is incorporated herein and made a part hereof.

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

Transmission Provider:

By: _____ _____ _____
Name Title Date

Transmission Customer:

By: _____ _____ _____
Name Title Date

ATTACHMENT C

Methodology To Assess Available Transfer Capability

This Attachment C contains the Transmission Provider's methodology to assess Available Transfer Capability of the Transmission System. Transmission Provider posts its Available Transfer Capability Implementation Document (ATCID) on its OASIS.

1. Definitions

a. Available Transfer Capability (ATC)

ATC means the measure of the transfer capability remaining in the physical transmission network for further commercial activity over and above already committed uses. It is defined as Total Transfer Capability less Existing Transmission Commitments (including retail customer service), less a Capacity Benefit Margin, less a Transmission Reliability Margin, plus Postbacks, plus counterflows.

b. ATC Path

ATC Path means any combination of Point of Receipt and Point of Delivery for which ATC is calculated, and any Posted Path.

c. Capacity Benefit Margin (CBM)

CBM means the amount of firm transmission transfer capability preserved by the transmission provider for Load-Serving Entities (LSEs), whose loads are located on that Transmission Service Provider's system, to enable access by the LSEs to generation from interconnected systems to meet generation reliability requirements. Preservation of CBM for an LSE allows that entity to reduce its installed generating capacity below that which may otherwise have been necessary without interconnections to meet its generation reliability requirements. The transmission transfer capability preserved as CBM is intended to be used by the LSE only in times of emergency generation deficiencies. CBM_s is the CBM for the ATC Path that has been scheduled during that period.

d. Counterflows

Counterflows are adjustments to the Firm or Non-firm ATC on a path when there are Firm or Non-firm Transmission Service scheduled to flow in the opposite direction of the same path.

e. Existing Transmission Commitments (ETC)

ETC means committed uses of a Transmission Service Provider's Transmission system considered when determining ATC. The commitments can be firm (ETC_F) or non-firm (ETC_{NF}).

f. Operating Horizon

Operating Horizon means a specified number of hours extending past the end of the Scheduling Horizon.

g. Planning Horizon

Planning Horizon means a specified number of days extending past the end of the Operating Horizon.

h. Postbacks

Postbacks are changes to Firm or Non-firm ATC based on a change in status of a transmission service reservation or use of reserved capacity, or other conditions as specified by the Transmission Provider in the ATCID.

i. Load Serving Entity (LSE)

LSE means Secures energy and Transmission Service (and related Interconnected Operations Services) to serve the electrical demand and energy requirements of its end-use customers.

j. Scheduling Horizon

Scheduling Horizon means a specified number of hours extending past the current hour.

k. Total Transfer Capability (TTC)

TTC means the amount of electric power that can be moved or transferred reliably from one area to another area of the interconnected transmission systems by way of all transmission lines (or paths) between those areas under specified system conditions.

l. Transmission Reliability Margin (TRM)

TRM means the amount of transmission transfer capability necessary to provide reasonable assurance that the interconnected transmission network will be secure. TRM accounts for the inherent uncertainty in system conditions and the need for operating flexibility to ensure reliable system operation as system conditions change. TRM_U is the TRM for the ATC Path that has not been released for sale (unreleased) as non-firm capacity by the Transmission Provider during that period.

2. Determination of ATC

a. Rated System Path Methodology

Transmission Provider uses the Rated System Path Methodology to calculate ATC. The currently effective version of NERC Reliability Standard MOD-029 ("Rated System Path Methodology") shall apply to calculate TTCs and ATCs for ATC Paths.

b. Description of the Mathematical Algorithms Used to Calculate Firm and Non-Firm ATC

To determine firm and non-firm ATC, the Transmission Provider uses the following algorithms for the Scheduling Horizon, Operating Horizon and Planning Horizon.

The equation to calculate firm ATC is:

$$\mathbf{ATC_F = TTC - ETC_F - CBM - TRM + Postbacks_F + Counterflows_F.}$$

The equation to calculate non-firm ATC is:

$$\mathbf{ATC_{NF} = TTC - ETC_F - ETC_{NF} - CBM^s - TRM_u + Postbacks_{NF} + Counterflows_{NF}.}$$

c. Specific Mathematical Algorithms Used to Calculate Firm and Non-Firm ATC

The specific mathematical algorithms used to calculate firm and non-firm ATC are located on LADWP's OASIS website at:

https://www.oasis.oati.com/LDWP/LDWPdocs/ATC_Algorithms.pdf.

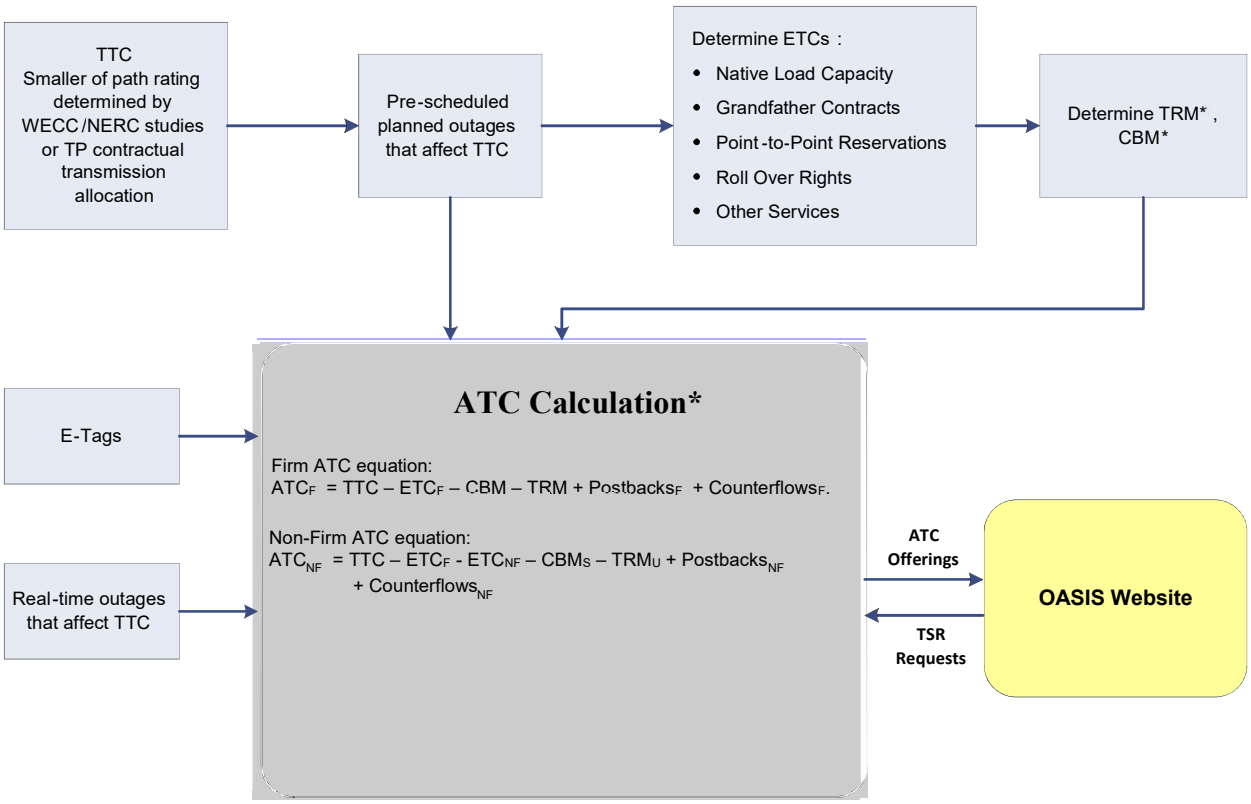
d. OASIS

The Transmission Provider's OASIS is provided by Open Access Technology International, Inc. (OATI) and is located at

https://www.oasis.oati.com/ldwp/

3. Process Flow Diagram

The process Transmission Provider uses to calculate ATC is illustrated as follows:



* Transmission Provider does not use TRM or CBM but may use them in the future.

4. Determination of TTC

a. Calculation Methodology

The currently effective version of NERC Reliability Standard MOD-029 ("Rated System Path Methodology") is used to calculate TTCs for ATC Paths.

The TTC posted is the LADWP ownership or contractual share of the line capacity.

Transmission Provider models its system in segments. A segment or a path can be one or more lines in parallel. A posted path usually consists of one or more segments in series. For a posted path with multiple segments, the segment with the most limiting capacity will determine the TTC for the posted path.

TTC for Transmission Provider's internal paths are mostly flow-limited, so the TTC is determined by thermal rating.

b. **Databases used in TTC Assessments**

Transmission Provider uses the applicable WECC developed system seasonal power operating flow base cases.

c. Assumptions Used in TTC Assessments

The assumptions that LADWP uses in its TTC assessments, including load levels, generation dispatch, and modeling of planned and contingency outages, are set out in Requirement R2 of the currently effective version of NERC Reliability Standard MOD-029 ("Rated System Path Methodology"). The load and generation in the applicable WECC seasonal operating base case are adjusted to maximize transfers for the path under study.

5. Determination of ETC

a. **Calculation Methodology**

Transmission Provider uses the following algorithms for Scheduling Horizon, Operating Horizon and Planning Horizon to calculate Firm and Non-Firm Existing Transmission Commitments, as provided in R5 and R6 of MOD-029-1a, respectively.

The equation to calculate firm ETC is:

$$\mathbf{ETC_F = NL_F + NITS_F + GF_F + PTP_F + ROR_F + OS_F}$$

Where:

NL_F is the firm capacity set aside to serve peak Native Load forecast commitments for the time period being calculated, to include losses, and Native Load growth, not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

$NITS_F$ is the firm capacity reserved for Network Integration Transmission Service serving load, to include losses, and load growth, not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

GF_F is the firm capacity set aside for grandfathered Transmission Service and contracts for energy and/or Transmission Service, where executed prior to the effective date of Transmission Provider's Open Access Transmission Tariff or "safe harbor tariff."

PTP_F is the firm capacity reserved for confirmed Point-to-Point Transmission Service.

ROR_F is the firm capacity reserved for Roll-over rights for contracts granting Transmission Customers the right of first refusal to take or continue to take Transmission Service when the Transmission Customer's Transmission Service contract expires or is eligible for renewal.

OS_F is the firm capacity reserved for any other service(s), contract(s), or agreement(s) not specified above using Firm Transmission Service as specified in the ATCID.

The equation to calculate non-firm ETC is:

$$\mathbf{ETC_{NF} = NL_{NF} + NITS_{NF} + GF_{NF} + PTP_{NF} + ROR_{NF} + OS_{NF}}$$

Where:

NL_{NF} is the non-firm capacity set aside to serve peak Native Load forecast commitments for the time period being calculated, to include losses, and Native Load growth, not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

$NITS_{NF}$ is the non-firm capacity set aside for Network Integration Transmission Service serving load (i.e., secondary network service), to include losses, and load growth not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

GF_{NF} is the non-firm capacity set aside for grandfathered Transmission Service and contracts for energy and/or Transmission Service, where executed prior to the effective date of Transmission Provider's Open Access Transmission Tariff or "safe harbor tariff."

ROR_{NF} is the non-firm capacity reserved for Roll-over rights for contracts granting Transmission Customers the right of first refusal to take or continue to take Transmission Service when the Transmission Customer's Transmission Service contract expires or is eligible for renewal.

PTP_{NF} is non-firm capacity reserved for confirmed Point-to-Point Transmission Service.

OS_{NF} is the non-firm capacity reserved for any other service(s), contract(s), or agreement(s) not specified above using non-firm transmission service as specified in the ATCID.

b. Transmission Capacity Set Aside for Native Load Customers and Network Load

Capacity is necessary to meet the forecast load of Native Load Customers and Network Load (including transmission capacity for designated resources or new resources that are needed for load growth or to replace existing resources). As required by the OATT, Transmission Provider on behalf of its Native Load Customers and each Network Customer on behalf of its Network Load submit to the Transmission Provider updates to the capacity needed for load and resources, annually and in the event of a material change. Additional periodic update of load and resources within the year may be required as described in the transmission provider's business practices.

c. Incorporation of Point-to-Point Transmission Service Requests

Existing, confirmed requests for Point-to-Point Transmission Service are modeled using the specified megawatt quantity, Point(s) of Receipt, and Point(s) of Delivery.

d. **Accounting for Rollover Rights**

Transmission Provider, in the absence a Transmission Customer providing notice to terminate rights, assumes that a Transmission Customer will exercise rollover for existing long-term Transmission rights. To account for this assumption, transmission in the amount of the confirmed transmission service request is set aside. If a Transmission Customer does not exercise its rollover right, that amount may be removed from ETC.

e. Process for Ensure that Non-Firm Capacity is Released Properly

In the scheduling horizon, reserved capacity that is not scheduled will be posted back as non-firm ATC. This Postback occurs automatically based on the tags or schedules submitted which are compared against transmission reservations and existing commitments.

6. AFC Methodology

Transmission Provider does not currently use a flowgate methodology to calculate ATC.

7. **Determination of TRM**

Transmission Provider does not use TRM but may use TRM in the future.

8. Determination of CBM

Transmission Provider does not use CBM but may CBM in the future.

ATTACHMENT D

Methodology for Completing a System Impact Study and Form Agreement

1. Methodology

The Transmission Provider will perform studies, when necessary, that assess whether sufficient transfer capacity is available to provide a requested Transmission Service. Transmission Provider will exercise the same due diligence in performing a System Impact Study for a Transmission Customer as it would for its own use of the system. Transmission Provider will follow Attachment C to this Tariff, reliability principles, standards, and procedures of Western Electricity Coordinating Council (WECC) and the North American Electric Reliability Corporation (NERC) or their successors, in addition to Transmission Provider planning criteria.

In determining the level of capacity available for new Transmission Service requests, the Transmission Provider may exclude from capacity to be made available for new Transmission Service requests, that capacity needed to meet current and reasonably forecasted demand of Native Load Customers, customers with existing firm contracts and potential customers having pending valid requests for firm transmission under this Tariff.

Factors to be considered in determining the capacity availability on the transmission system will include but not be limited to:

(1) ~~(1)~~ Steady state power flow study results;
(2) ~~(2)~~ Stability study results;
(3) ~~(3)~~ WECC, NERC, and ~~APS'~~LADWP's system design criteria;
(4) ~~(4)~~ Transmission capacity of the existing system;
(5) ~~(5)~~ Transmission capacity of the system after the request is added;
(6) ~~(6)~~ Reliability requirements of ~~APS~~LADWP and applicant; ~~and~~
(7) ~~(7)~~ Type and terms of the service requested;~~.~~
(8) Capacity needed to meet current and 10-year forecasted load of Native Load Customers and Network Customers' loads; and
(9) Capacity needed to meet contractual obligations that are expected before the requested Transmission Service begins.

2. Form of System Impact Study Agreement

Transmission Provider shall utilize the form of System Impact Study Agreement set forth below:

SYSTEM IMPACT STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of_____, 20__ by and between **[insert Transmission Customer]**, existing under the laws of _____, sometimes hereinafter referred to as ("Eligible Customer") 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 ("Transmission Provider "). Eligible Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Eligible Customer has submitted a Completed Application (the "Application") for Firm Point-To-Point Transmission Service pursuant to Section 17.2 of the Open Access Transmission Tariff ("Tariff") for the Transmission Provider (as may be supplemented, modified, or replaced);

WHEREAS, Eligible Customer has requested **[insert]** MW of Firm Point-To- Point Transmission Service from **[insert]**, under Request No. **[insert]**, to commence on **[insert]** and end on **[insert]**.

WHEREAS, Eligible Customer has received notice from the Transmission Provider that a System Impact Study is necessary to accommodate the service requested in the Application; and

WHEREAS, the Transmission Provider must cause the preparation of a System Impact Study to assess the adequacy of the Transmission System and any other affected systems to accommodate the Application.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

ARTICLE 1. DEFINITIONS

1. The terms used in this Agreement with initial capitalization shall have the meanings

specified in the Tariff.

ARTICLE 2. TERMINATION

2.1 Effective Date. This Agreement shall become effective on the date on which this Agreement is made and fully executed by the Parties ("Effective Date").

2.2 Term. This Agreement shall become effective as provided in Section 2.1 of this Agreement and shall continue in full force and effect until the earlier of (i) the Parties agree to mutually terminate this Agreement, (ii) One year after the Effective Date; or (iii) earlier termination as provided for under this Agreement.

2.3 Termination for Breach. A Party may terminate this Agreement upon thirty (30) days advance notice to the other Parties of a breach by a Party to this Agreement; provided that, the terminating Party notified the breaching Party in writing of the alleged breach and the breaching Party failed to cure such breach within fifteen (15) businessdays after the date of said notice and further provided that such terminating Party complies with any and all applicable laws, rules and regulations relating to such termination.

2.4 Termination or Withdrawal. Any request to terminate or withdraw from a study shall be deemed as a withdrawal of the Application in accordance with Section 19 of the Tariff.

2.5 Liability on Termination. Eligible Customer shall remain liable to the Transmission Provider for costs of the System Impact Study already incurred, costs of the System Impact Study that cannot be reasonably avoided and any costs associated with terminating the System Impact Study.

ARTICLE 3. STUDY

3.1 Study. The Transmission Provider shall cause a System Impact Study to be performed in accordance with the applicable provisions of the Tariff. The Transmission Provider shall rely on existing transmission planning studies as provided in the Tariff. Allterms and conditions of the Tariff are incorporated herein by reference.

3.2 Scope. The scope of the System Impact Study shall be as set forth in the Tariff and shall be subject to the data and other information provided in the Application and any additional information, assumptions or methodology set forth in Attachment D of the

Tariff. Eligible Customer shall review the data and information that it has provided to the Transmission Provider and provide updated data and information as necessary. The Transmission Provider will advise Eligible Customer of additional information as may be reasonably deemed necessary by the Transmission Provider to complete the System Impact Study and Eligible Customer shall promptly submit the additional information. Such additional information shall be obtained only if required by Good Utility Practice and shall be subject to the consent of Eligible Customer, not to be unreasonably withheld, conditional or delayed.

3.3 Report. The final report of the System Impact Study shall identify the following information:

3.3.1 Any system constraints due to thermal overload, voltage limit violations, or instability or inadequately damped response to system disturbances resulting from the service requested by the Application.

3.3.2 A preliminary estimate of the scope of any Direct Assignment Facilities or Network Upgrades required to accommodate the Application.

3.3.3 Together with a copy of the final report, the related work papers shall be made available to the Eligible Customer.

3.4 Coordination. The Transmission Provider will coordinate the System Impact Study with any affected Transmission Provider, and with any Regional Transmission Organizations ("RTO") or Independent System Organization ("ISO"). If the required study coordination effort increases the expected study scope, study costs or delays the expected completion date, the Transmission Provider will inform the Eligible Customer. Eligible Customer acknowledges and agrees that Transmission Provider will provide all Confidential Information and/or study data that is reasonably needed by any Transmission Provider, RTO or ISO participating in the System Impact Study and toother parties as may be required by the Tariff or applicable federal, state or local law, ruleor regulation.

3.5 Estimated Time. The estimated time for completion of the System Impact Study is sixty (60) days. The Transmission Provider shall use due diligence to complete the System Impact Study within the estimated time. If Transmission Provider is unable to complete the System Impact Study within the time period, it shall notify the Transmission Customer and provide an estimated completion date with an explanation of the reasons why additional

time is required.

3.6 Representative. Eligible Customer shall appoint and make available to the Transmission Provider a designated and authorized representative through which the Transmission Provider can coordinate work pertaining to the System Impact Study.

ARTICLE 4. COSTS AND PAYMENT

4.1 Estimated Cost. The estimated cost for performance of the System Impact Study is **[[insert dollar amount]]**. The estimated cost is the Transmission Provider's good faith estimate of the costs to perform the System Impact Study. The estimated cost does not include any costs incurred by other Transmission Providers, RTOs or ISOs.

4.2 Reimbursement. Eligible Customer shall reimburse the Transmission Provider in full for performing the System Impact Study. Eligible Customer shall also reimburse any Transmission Provider, RTO or ISO in full for performing any work related to the System Impact Study, either directly or through payment to the Transmission Provider. These reimbursements shall include payment for all actual costs of the System Impact Study. As provided in the Tariff, Eligible Customer shall not be charged for existing transmission planning studies, but will be responsible for charges associated with modifications to the existing transmission planning studies that are reasonable necessary to evaluate the impact of the Application.

4.3 Deposit and Payment. The Eligible Customer shall submit with this System Impact Study Agreement a deposit in the amount of $50,000.00 (the "Deposit"). The Deposit will be applied toward the costs of the System Impact Study to be reimbursed by the Eligible Customer pursuant to Paragraph 4.2 of this Agreement. Eligible Customer shall prepay the costs of any study, analysis and review work performed by or on behalf of the Transmission Provider or, as applicable, any affected Transmission Provider, RTO or ISO, to the extent such costs exceed the Deposit. The Transmission Provider shall refund to the Eligible Customer any portion of the Deposit that exceeds the amount of the coststo be reimbursed pursuant to Paragraph 4.2. The Transmission Provider shall invoice the Eligible Customer, from time to time, for the amount(s) by which costs to be reimbursed pursuant to Paragraph 4.2 exceed the amount of the Deposit and any prepayments. The Eligible Customer shall pay any such invoice within thirty (30) days of receipt.

ARTICLE 5. MISCELLANEOUS PROVISIONS

5.1 Indemnification. The Eligible Customer shall at all times indemnify, defend, and hold harmless the Transmission Provider, its officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, without limitation, business interruption, death, bodily injury or personal injury to any person, damage or destruction or loss of use to or of any property (financial, physical, or intellectual) by or to third parties (collectively "Losses") arising by reason of or incident to or directly or indirectly related to Transmission Provider performing or causing to be performed the System Impact Study in whole or in part under this Agreement on behalf of the Eligible Customer, except in cases of gross negligence or intentional wrongdoing by the Transmission Provider.

5.2 Accuracy of Information. The Eligible Customer represents and warrants that, to the best of its knowledge and in accordance with Good Utility Practice, the information that it provides to the Transmission Provider in connection with this System Impact Study Agreement and the System Impact Study is accurate and complete. The Eligible Customer acknowledges and accepts that it has a continuing obligation under this System Impact Study Agreement to promptly provide the Transmission Provider with any additional information required to update the information previously provided within no less than forty-eight (48) hours.

5.3 Disclaimer of Warranty; Limitation of Liability and Release. In performing or causing the System Impact Study to be performed, the Transmission Provider may rely on the information provided by the Eligible Customer and third parties, which Transmission Provider may not have any control over the veracity or accuracy of such information. For data, information and other studies submitted by the Eligible Customer or obtained from third parties or industry sources,

TRANSMISSION PROVIDER HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE ELECTRIC INDUSTRY, OR OTHERWISE, INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. FURTHERMORE, TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO ELIGIBLE CUSTOMER UNDER ANY CIRCUMSTANCES,

UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHERSUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO ELIGIBLE CUSTOMER.

ELIGIBLE CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIACIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THIS RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLYAFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, ELIGIBLE CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

Upon execution of this System Impact Study Agreement, the Eligible Customer acknowledges and accepts that it has not relied on any representations or warranties not specifically set forth herein.

5.4 Representations and Warranties. The Eligible Customer represents and warrants that it is free to enter into this Agreement and to perform each of the terms and covenants of it. The Eligible Customer represents and warrants that it has undertaken or will cooperate with Transmission Provider in undertaking any environmental review required for its proposed project, including but not limited to the California Environmental QualityAct (CEQA) as amended and stated within Cal. Pub. Res. Code §§ 21000-21178 or any successor statute; provided however, Transmission Provider's undertaking and completion of the System Impact Study, or issuance of a system impact study report,shall neither be construed as a guarantee of an agreement nor an approval of theproposed project. The Eligible Customer further represents and warrants it is not restricted or prohibited contractually or

otherwise, from entering into and performing this agreement, and that the execution and performance of this Agreement by Eligible Customer will not constitute a violation or breach of any other agreement between it and any other person or entity.

5.5 Force Majeure. If a Force Majeure Event prevents the Transmission Provider from fulfilling any obligations under this System Impact Study Agreement, Transmission Provider shall promptly notify the Eligible Customer in writing, and shall suspend or modify its performance under said agreement until the Force Majeure Event, to the extent that the effect of the Force Majeure Event cannot be mitigated by use of Good Utility Practice or commercially reasonable efforts. For purposes of this System Impact Study Agreement, a "Force Majeure Event" means any event or circumstance caused by reason of Force Majeure that prevents or delays Transmission Provider's performance under this Agreement which (a) is beyond the reasonable control of the Transmission Provider and (b) was unable to be prevented or provided against by exercising Good Utility Practice or commercially reasonable efforts. In the event that the Transmission Provider suspended its performance, it shall resume its obligations under this System Impact Study Agreement as soon as reasonably possible upon resolution of the Force Majeure Event.In the event that the Parties mutually agree to modify Transmission Provider's performance as a result of the Force Majeure Event, this System Impact Study Agreement~~shall be modified in accordance with Section 5.12 herein.~~ shall be modified in accordance with Section 5.~~6~~ 12 herein.

5.6 Assignment. This System Impact Study Agreement shall not be assigned, conveyed or transferred to any third party ~~unless the provisions of Section 4.3 of the LGIP have been satisfied and Transmission Provider consents to such assignment, conveyance or transfer in writing.~~ without the written consent of both Parties.

5.7 Governing Law. This Agreement was made and entered into in the City of Los Angeles and 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.

5.8 Venue. All litigation arising out of, or relating to this System Impact Study Agreement, shall be brought in a court of competent jurisdiction located in Los Angeles County, 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.*

5.9 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this System Impact Study Agreement, orwith respect to any other matter arising in connection with said agreement, shall not be deemed a waiver with respect to any subsequent default or other mater arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

5.10 Binding Effect. This System Impact Study Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors or assigns, subject to Sections 4.3 of the LGIP.

5.11 Attorney Fees and Costs. Both Parties agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorney fees and costs.

5.12 Entire Agreement. This System Impact Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This Agreement may be amended only by a written document signed by 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.

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

By: _____

Title: _____

Date: _____

[INSERT TRANSMISSION CUSTOMER]

By: _____

Title: _____

Date: _____

ATTACHMENT E

Index of Point-To-Point Transmission Service Customers

A list of LADWP Point-To-Point Transmission Service Customers can be found when you log on to the OATI OASIS WestTrans website located at:

https://www.oasis.oati.com.

ATTACHMENT F

Form of Service Agreement for
Network Integration Transmission Service

Service Agreement For
Network Integration Transmission Service

1. This Service Agreement, dated as of _____, is entered into by and between the City of Los Angeles Department of Water and Power ("LADWP" or "Transmission Provider"), and_____("Transmission Customer"), and shall become effective on the date of its execution.

2. Transmission Customer has been determined by Transmission Provider to have a Completed Application for Network Integration Transmission Service under Part III of this Tariff and has provided the Transmission Provider an Application Deposit in the amount of $_____ in accordance with Section 29.2 of the Tariff.

3. Transmission Customer shall execute a Network Operating Agreement with LADWP in accordance with Section 35.2 of the Tariff prior to commencement of transmission service hereunder.

4. In accordance with Section 2 of the Tariff, the maximum term for Network Integration Transmission Service, including all renewals granted, shall be limited to three years, unless:

4.1 In the exclusive determination of Transmission Provider, the Eligible Customer has satisfied the requirements of the Governmental Person Use Certification and the requirements of Section 5.2 of the Tariff, in which case the maximum term shall be specified in the Service Agreement for Network Integration Transmission Service; or

4.2 The Transmission Provider and a firm Network Integration Transmission Service customer with a contract term of two (2) years or more have mutually agreed to add the automatic renewal option set forth in Section 2.2.2 of the Tariff to the initial Service Agreement for Network Integration Transmission Service.

5. Service under this Service Agreement shall commence on (A) the later of (1) _____ or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as mutually agreed upon, and (B) the date that Network Customer and the Transmission Provider have completed all necessary technical arrangements in accordance with the provisions of Sections 29.3 and 29.4 of the Tarff. Service under this Service Agreement shall terminate on _____.

6. If at any time during the term of this Service Agreement the Transmission Provider finds that the Transmission Customer fails to meet the credit requirements of Section 11 and Attachment L to the Tariff as they may be amended, the Transmission Customer shall provide any additional forms of security as required by Attachment L.

7. Transmission Provider shall provide and Transmission Customer shall take and pay for Network Integration Transmission Service in accordance with the provisions of Part III of the Tariff, this Service Agreement, and the Network Operating Agreement, as they may be amended from time to time. Exhibit 1 to this Service Agreement lists initial Network Resources, Network Loads, points of interconnection between Transmission Customer's facilities and Transmission Provider's Transmission System, and Transmission Customer's initial Load Ratio Share.

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

Transmission Provider:

_____

_____

_____

Network Customer:

_____

_____

_____

9. The Tariff specifications for Network Integration Transmission Service, and the Network Operating Agreement are incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective officials.

City of Los Angeles Department of Water and Power:

By: _____

Title: _____

Date:

Network Customer:

By: _____

Title: _____

Date:

ATTACHMENT F, EXHIBIT 1

SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE

1.0 This Service Agreement, dated as of _____, is entered into, by and between LADWP ("Transmission Provider"), and _____ ("Network Customer").

2.0 Term of Network Integration Transmission Service:

Start Date:_____
Termination Date:_____

3.0 Description of capacity and/or energy to be transmitted by Transmission Provider across the Transmission Provider's Transmission System (including electric control area in which the transaction originates). MWs of the eligible retail customer or authorized agency's requirements may originate from firm resources located outside of the Transmission Provider's Transmission System and will be transmitted across the Transmission Provider's Transmission System subject to point-to-point transmission service from the Point(s) of Receipt listed below. The remaining MWs of the eligible customer or authorized agency requirements (Network Load plus Losses) will originate from inside the Transmission Provider's Transmission System as designated below. Non-firm energy will be transmitted on an as available basis when requested by the eligible customer or authorized agency:

_____
_____
_____

4.0 Network Resources:

4.1 Transmission Customer Generation Owned:

Resource	Directly interconnected with Transmission System? Y/N	Total Capacity	Capacity Designated as Network Resource

4.2 Transmission Customer Generation Purchased:

Source	Total Capacity

4.3 Total Network Resources: (1) + (2) = _____

5.0 Transmission Load

Eligible customer's Network Load: Eligible Customer's Network Load measured at the Point(s) of Delivery listed below is its full load requirement as it changes from time to time, including load growth. Eligible Customer's most recent coincident peak load measured at Point(s) of Delivery and adjusted for distribution and transmission losses as appropriate is ___ MW.

5.1 Network Customer's Network Load:

Network Load	Points of Delivery	Delivery Transmission Voltage Level	MW or % of Load

5.2 Total Network Load =

6.0 Designation of party(ies) subject to reciprocal service obligation:

_____

7.0 Name of any intervening systems providing transmission service:

_____

_____

_____

8.0 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.)

8.1 Load Ratio Share of Annual Transmission Revenue Requirement.

8.1.1 For the first twelve months of service under this Service Agreement commencing on the Start Date set forth in Section 1 of the Specifications, Transmission Customer's Load Ratio Share will be determined based on Transmission Customer's average Load Ratio Share in the months in which Transmission Customer has taken service. After the first twelve months of service, Load Ratio Share will be calculated on a rolling twelve-month average basis.

8.2 System Impact and/or Facilities Study Charge(s): _____

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services:

8.4.1 Scheduling System, Control and Dispatch Service: _____

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

8.4.3 Regulation and Frequency Response Service: _____

8.4.4 Energy Imbalance Service: _____

8.4.5 Operating Reserve - Spinning Reserve Service:_____

8.4.6 Operating Reserve - Supplemental Reserve Service: _____

8.5 Redispatch Charges: _____
8.6 Power Factor Requirements:_____

Transmission Provider:

By: _____ _____
Name, Title, Date

Network Customer:

By:_____ _____

Name, Title, Date

ATTACHMENT G

Form of Operating Agreement for Network Integration Transmission Service

Network Operating Agreement

1. Parties

This Network Operating Agreement ("Agreement" or "Operating Agreement") is entered into by and between the City of Los Angeles on behalf of its Department of Water and Power ("LADWP" or "Transmission Provider"), and _____ ("Network Customer"), which hereinafter may be referred to collectively as "Parties" and individually as "Party."

2. Recitals

2.1 The Network Customer has executed a Service Agreement for Network Integration Transmission Service ("Service Agreement") with LADWP; and

2.2 LADWP and the Network Customer desire to enter into this Operating Agreement to specify (i) the terms and conditions under which the Network Customer will operate its facilities that interconnect with LADWP's Transmission Facilities and (ii) the technical and operational matters associated with implementation of Network Integration Transmission Service in accordance with the Tariff.

NOW, THEREFORE, in consideration of the promises, covenants, and conditions contained in this Agreement, the Parties agree as follows:

3. Effective Date and Term of Service

3.1 This Operating Agreement shall become effective upon execution by both Parties and shall terminate upon the termination of the Service Agreement between LADWP and the Network Customer.

3.2 This Agreement is entered into in implementation of Network Integration Transmission Service in accordance with the Tariff and the Service Agreement. This Agreement shall neither amend nor supersede the Tariff or Service Agreement. All terms and conditions of the Tariff and the Service Agreement related to Network Integration Transmission Service are incorporated herein by this reference. In the event of any conflict between the terms of the Tariff and the terms of this Agreement, the terms of the Tariff shall govern.

4. Definitions

Terms used herein with initial capitalization, whether in the singular or the plural, shall have the meanings specified in the Tariff and are hereby incorporated into this Operating Agreement. Terms used herein, whether in the singular or the plural, which are not defined in the Tariff shall have the following meanings:

4.1 **Transmission Reduction Plan**: A plan provided by the Network Customer to the Transmission Provider which directs the systematic adjustment of the network transmission capacity for the Network Customer or the Eligible Customer, to match the Network Customer's available Network Resources in order to maintain system reliability.

4.2 When the terms **Load Responsibility**, **Regulating Margin**, **Most Severe Single Contingency** (MSSC), **Non-Spinning Reserves**, **Operating Reserves**, and **Spinning Reserves** are used herein, the WECC definitions of those terms apply.

5. Metering and Communication Equipment

5.1 The Transmission Provider shall install, own, and maintain revenue quality meters at each point of interconnection between the Transmission Provider's Transmission System and the Network Customer's Network Load and Network Resources. If feasible, such meters shall be installed at the high voltage bus at each point of interconnection of the Transmission Provider's Transmission System with the Network Customer's Network Load and with any Network Resources directly connected to the Transmission Provider's Transmission System. The meters shall measure and record both real power (watts) and reactive power (vars) flow, if applicable, in both directions. Meters not installed at the high voltage bus or at the point of interconnection shall be compensated for line losses and transformation losses to the point of interconnection, if applicable.

5.1.1 The Transmission Provider shall read or retrieve meter data at midnight (Pacific Time) on the last day of each calendar month or such other time as may be required to carry out the provisions of the Tariff. The Transmission Provider shall use the meter data for determining energy imbalances, accounting, and billing.

5.1.2 The revenue meters shall be tested by the Transmission Provider at least once a year and within ten (10) Working Days after a request by the

Network Customer. The Network Customer shall pay for the cost of the requested test if the meter has been tested within the previous twelve months. The Network Customer will be afforded the opportunity to be present during any meter test. The Transmission Provider shall promptly repair, adjust, or replace any meter or associated equipment found to be defective or inaccurate.

5.1.3 The Transmission Provider shall adjust the recorded data to compensate for the effect of an inaccurate meter. Such adjustment shall be made for a maximum period of thirty days prior to the date of the test or for the period during which such inaccuracy may be determined to have existed, whichever period is shorter. No adjustment prior to the beginning of the next preceding month shall be made except by agreement of the Parties. Should any meter fail to register, the Transmission Provider shall estimate, from the best information available, the demand created, energy flow, and var flows during the period of the failure. The Transmission Provider shall, as soon as possible, correct the Network Customer's bills affected by the inaccurate meter. That correction, when made, shall constitute full adjustment of any claim arising out of the inaccurate meter for the period of the correction.

5.2 The Network Customer and the Transmission Provider shall install communications facilities, equipment, and software to schedule and monitor Network Load and any directly connected Network Resources, to exchange data, and for any other purpose as reasonably required to implement this Agreement, the Service Agreement, and the Tariff in accordance with Good Utility Practice. Such installation shall be at the Network Customer's expense.

5.3 All metering, communications, and data exchanges required to implement this Agreement, the Service Agreement, and the Tariff shall be automated to the greatest extent practical. The Network Operating Committee shall coordinate standards and specifications for metering and communications equipment as well as any related hardware and software required to implement this Agreement, the Service Agreement, and the Tariff, provided such metering and communications equipment and any related hardware and software shall, if possible, be compatible with the Transmission Provider's existing or planned facilities or software, meet all applicable WECC and NERC standards and regional criteria , and be consistent with Good Utility Practice.

5.4 The Network Customer shall procure, install and maintain, at its sole expense, all metering for its Network Resources directly connected to its system, and any communications equipment, and any related hardware and software required to be installed on its system or on the system of the Eligible Customer it serves, in accordance with this Section 5. The Network Customer shall reimburse the Transmission Provider for all expenses incurred by the Transmission Provider for any metering and communications equipment, and related hardware and software, including any modifications to existing facilities or software required for the Transmission Provider to provide Network Integration Transmission Service in accordance with this Agreement, the Service Agreement, and the Tariff.

6. Qualifications For Network Resources

All designated Network Resources directly interconnected to the Transmission Provider's Transmission System shall be capable of performing in accordance with applicable NERC and WECC standards and regional criteria and Good Utility Practice. If the Network Customer elects to provide any Ancillary Services using its Network Resources, the Parties shall agree upon any communications, control, protection or other equipment required in accordance with applicable NERC and WECC criteria and Good Utility Practice to be installed on the system of the Network Customer or the Eligible Customer receiving service, as applicable, or the Transmission Provider's system in order for the Network Customer to provide such Ancillary Services. Any equipment or facilities required for the Network Customer to provide such Ancillary Services shall be procured, installed, and maintained at the Network Customer's sole expense

7. Interconnection of Network Resources or Transmission Facilities

7.1 The Network Customer shall interconnect its Network Resources, if applicable, and its own transmission facilities with the Transmission Provider's Transmission System in accordance with all applicable WECC and NERC standards and regional criteria and Good Utility Practice. The facilities and procedures required for such interconnection(s) shall be consistent with applicable NERC and WECC standards and regional criteria, this Agreement, the Tariff, and Good Utility Practice.

7.2 The Network Customer, at its sole expense, shall procure, install, and maintain all equipment and facilities on its side of the interconnection as applicable. The Transmission Provider shall own, install, and maintain all facilities necessary to interconnect such Network Resource or transmission facility to the

Transmission System on the Transmission Provider's side of the interconnection at the Network Customer's sole expense. Such interconnection facilities shall include any equipment necessary to protect the Transmission Provider's system, including, but not limited to, short circuit protection, breaker closing/reclosing control, loss of synchronism, overcurrent/undercurrent devices such as relays, remote terminal units, circuit breakers, and meters. Such facilities shall meet the Transmission Provider's specifications and shall be subject to inspection and testing by the Transmission Provider.

7.3 The Network Customer shall operate its directly interconnected Network Resources, as applicable, and directly interconnected transmission facilities in accordance with any applicable NERC or WECC standards and regional criteria and Good Utility Practice. Such operation includes, but is not limited to, following voltage schedules, free governor response, meeting power factor requirements at the point of interconnection with the Transmission Provider's system, equipment maintenance coordination, and communication of necessary data, information, or reports. The Network Customer shall pay the cost of any needed modification of the Transmission Provider's computer hardware and software to accommodate the Network Customer's Regulating Margin and Operating Reserve requirements. Any resources used by the Network Customer to meet its Regulating Margin and Operating Reserve requirements, whether the Network Customer's applicable Network Resources or a third party's generating resources, shall meet the same requirements as the Transmission Provider's generating resources used to meet the Regulating Margin and Operating Reserve requirements, including but not limited to, automatic generation control capability, ramp rate, and governor response, and are subjected to random testing, and if applicable, a monthly start-up test.

8 Interconnection of Customer Load

8.1 Facilities for the interconnection of the Network Customer's Network Load to the Transmission Provider's Transmission System shall be installed, operated and maintained in accordance with Good Utility Practice.

8.2 The Network Customer desires to receive service as described in the Service Agreement. Any applicable service criteria of the Network Customer, including, but not limited to, any redundancy desired in transmission elements available to serve Network Load from the Transmission Provider's Transmission System shall be specified by the Network Customer. If technically feasible, the Transmission Provider shall provide service as requested in the Service Agreement

and in accordance with such criteria, conditioned on the Transmission Provider obtaining any necessary regulatory permits and complying with any other state or local requirements for the construction of any required facilities.

8.3 The Network Customer shall keep the Transmission Provider informed on a timely basis of any changes in its Network Load and its designated Network Resources as required under the Tariff. The Network Customer shall cooperate in the planning of any addition to or upgrade of interconnection facilities to accommodate Network Load growth or a Network Resource addition.

8.4 The Transmission Provider shall own, operate, and maintain all interconnection facilities on the Transmission Provider's side of the interconnection with the Network Customer's Network Load. The Network Customer shall pay all costs and expenses for such interconnection facilities that are used exclusively to provide Network Integration Transmission Service to the Network Customer including, but not limited to, the costs of permitting, planning, procuring, constructing, owning, maintaining, and operating any such facilities.

8.5 The Network Customer shall provide and maintain, at its sole expense, facilities on its side of the interconnection in accordance with Good Utility Practice. The Network Customer shall install protective equipment on its system and take any other reasonable measures to protect the safe and reliable operation of the Transmission Provider's system from disturbances on the Network Customer's system in accordance with Good Utility Practice.

8.6 The Network Customer shall provide or facilitate the Transmission Provider's access to the interconnection facilities of the Network Customer to the extent necessary for the Transmission Provider to construct, operate, or maintain interconnection facilities. The Parties shall cooperate with one another in scheduling maintenance to any interconnection facility or in taking any interconnection facility out of service, provided that in an emergency the Transmission Provider may take facilities out of service if necessary to protect the Transmission Provider's system.

8.7 Unless otherwise mutually agreed, each Party shall provide the reactive power requirement of its own electric system or, if the Network Customer is serving an Eligible Customer, the electric system of the Eligible Customer receiving service, and each Party shall cooperate to control the flow of such reactive power to prevent the introduction of objectionable operating conditions on

the other Party's system or on that of the Eligible Customer receiving service.

9.0 Control Area Requirements and Ancillary Services

9.1 A Network Customer shall ensure that, to the extent it has its own Control Area that is directly interconnected to the Transmission Provider's Control Area, that interconnected Control Area satisfies its own balancing requirements, including all necessary Ancillary Services, by: (i) operating as a Control Area under applicable guidelines of NERC and WECC; or (ii) contracting with the Transmission Provider to provide Control Area services; or (iii) providing such services itself or contracting with a third party in a manner that is consistent with Good Utility Practice and which satisfies applicable NERC and WECC requirements.

9.2 The Network Customer shall provide to the Transmission Provider a Transmission Reduction Plan on behalf of itself or the Eligible Customer it is serving, as applicable, to facilitate the matching of transmission capacity with the resources available to serve load. The Transmission Reduction Plan shall be provided before service commences and thereafter updated at least annually or whenever the Network Customer revises its designated loads and/or resources.

9.3 A Network Customer that arranges to have a third party meet its Operating Reserve requirements shall also meet the requirements of Section 9.3 above. The Operating Reserve requirement for the Network Customer is as specified by the WECC and as implemented by the Transmission Provider. Inasmuch as the Transmission Provider is obligated to meet the WECC's requirements, as they may be modified from time to time, the Network Customer recognizes and agrees that its Operating Reserve requirement may change to reflect WECC modifications.

9.4 In order to facilitate the use of Operating Reserves from outside the Control Area, the Network Customer shall have available unloaded reserved firm transmission capacity at least equal to that Operating Reserve amount. Such transmission may be loaded with interruptible energy so that, upon interruption of the energy, transmission service is available to replace such energy from the Operating Reserves.

9.5 The Network Customer shall restore Operating Reserves to the required level within sixty (60) minutes of the event necessitating the loading of the

reserve.

9.6 If in real time, the Network Customer has not scheduled sufficient resources to match its actual load and the Network Customer is notified by the Control Area operator that its resource shortage is impacting system reliability, the Network Customer shall supplement and/or adjust its scheduled Network Resources within fifteen (15) minutes of such notification by the Control Area operator.

9.7 In the event that the Network Customer does not balance its loads and resources as required in Sections 9.4 or 9.5, above, the Control Area operator will initiate the Network Customer's Transmission Reduction Plan as provided pursuant to Section 9.2.

10. Network Planning

10.1 By February 1 of each year or such other time as the Network Operating Committee may agree, the Network Customer shall provide to the Transmission Provider its load and resource plans applicable to the Service Agreement(s) for itself or for the Eligible Customer to which it is providing service, as applicable, pursuant to Sections 29.2 and 35.2 of the Tariff. Such resource plans shall list the Network Customer's existing and planned generating resources that will serve as Network Resources for the Service Agreement(s). In the event the Service Agreement(s) load(s) will be satisfied by resources interconnected to a system outside of the Transmission Provider's Transmission System, the Network Customer may provide a resource plan that demonstrates and confirms the firm supply of generation designated for the Service Agreement(s) that meets the definition of "Network Resource" in the Tariff. In addition, in the event the Service Agreement(s) load(s) will be satisfied by resources interconnected to a system outside of the Transmission Provider's Transmission System, the Network Customer shall demonstrate that it has arranged point-to-point transmission service. In addition, the Network Customer must provide any planned transmission facility additions or upgrades and expected loads, that may affect the service to be provided under the Service Agreement(s) for each of the next ten (10) years or such other period(s) as may be agreed by the Network Operating Committee. The Network Customer shall provide information regarding any planned Network Resource to be interconnected to the Transmission Provider's Transmission System, as required by the Tariff, or by the Network Operating Committee, or by the Transmission Provider as reasonably necessary for efficient Transmission

System planning.

10.2 The Network Operating Committee shall coordinate the maintenance schedules of any of any Network Customer's or its Eligible Customer's generating resources and transmission and substation facilities directly interconnected to the Transmission Provider's Transmission System, to the greatest extent practical, to ensure sufficient transmission resources are available to maintain system reliability and reliability of service. By February 1 of each year, the Network Customer shall provide to the Transmission Provider the maintenance schedules and planned outages of each of its designated network generating resources directly interconnected to the Transmission Provider's Transmission System for the next year, and the Network Customer shall update the information at least thirty days in advance of the date specified for the forecasted maintenance outage. Such information shall include, but not be limited to, the expected time the unit will be separated from the system and the time at which the unit is available for (i) parallel operation, (ii) loading, and (iii) if applicable, to be put on automatic generation control.

10.3 The Network Customer shall obtain (i) concurrence from the Transmission Provider at least 72 hours before beginning any scheduled maintenance of its own and/or its Eligible Customer's, as applicable, directly interconnected facilities and (ii) clearance from the Transmission Provider when the Network Customer is ready to begin maintenance on a designated generating resource located within the Transmission Provider's Control Area, or a transmission line or substation interconnected to the Transmission Provider's Transmission System. The Network Customer shall immediately notify the Transmission Provider at the time when any unscheduled or forced outages occur and again when such unscheduled or forced outages end. The Network Customer shall notify and coordinate with the Transmission Provider prior to re-paralleling the generating resource, transmission line, or substation.

11. Scheduling of Network Resources

11.1 The Network Customer shall provide the Transmission Provider with such reports and information concerning its network operation as are reasonably necessary to enable the Transmission Provider to operate the Transmission System efficiently.

11.2 All schedules from either inside or outside of the Transmission Provider's

Control Area shall be in whole megawatts. Forecasts of generation and load from within the Transmission Provider's Control Area shall also be in whole megawatts.

11.3 The Network Customer shall notify the Transmission Provider of forecasted Network Load and intended hourly schedules of Network Resources, any economy energy purchases for the next day(s) of operation, and relevant interchange schedules consistent with the timing and obligations set forth in the Transmission Provider's OATT. The Network Customer shall transmit all the preschedules and forecasts to the Transmission Provider in a format compatible with the Transmission Provider's energy management system or similar equipment. Such preschedules and forecasts shall include, as applicable:

(a) each import into or export out of the Transmission Provider's Transmission System portion of the Transmission Provider's Control Area from Network Resources and economy energy purchases;

(b) each power purchase and sale from within the Control Area;

(c) losses;

(d) generation from each generating resource;

(e) Network Load at each point designated in the Service Agreement;

(f) regulating margin;

(g) spinning and non-spinning reserve from each Network Resource;

(h) spinning and non-spinning reserve purchased from the Transmission Provider or from each third party;

(i) available capacity from each Network Resource and the Network Customer's MSSC;

(j) transmission service associated with each preschedule and forecast;

(k) incremental cost data for each Network Resource; and

(l) any other information as required by the Transmission Provider to schedule the Network Customer's Network Resources in accordance with the Tariff.

11.4 On or before seven (7) days in advance of each operating day, the Network Customer shall provide the Transmission Provider with a preliminary forecast for each operating day specifying, as relevant and applicable to the service to be provided under the Service Agreement(s), forecasted generation, interchange, and load. On or before five (5) days before the beginning of each month, the Network Customer shall submit a forecast of total monthly energy and operating reserves to be purchased from the Transmission Provider, and/or a third party, and/or to be supplied by the Network Customer.

11.5 The Network Customer shall provide to the Transmission Provider information including, but not limited to, watts, vars, generator status, generator breaker status, generator terminal voltage and high side transfer voltage for any Network Resources directly interconnected to the Transmission Provider's Transmission System, unless otherwise agreed.

11.6 The Network Customer shall provide generating resource characteristics for any Network Resources directly interconnected to the Transmission Provider's Transmission System to the Transmission Provider as necessary to implement redispatch and to facilitate constraint and reserve management.

12. **System Security**

12.1 If the Transmission Provider determines that redispatching Network Resources (including reductions in off-system purchases) to relieve an existing or potential Transmission System constraint is the most effective way to ensure the reliable operation of the Transmission System, the Transmission Provider shall redispatch its resources and the Network Customer's Network Resources on a least-cost basis without regard to the ownership of such resources. The Transmission Provider shall inform the Network Customer of its redispatch practices and procedures, as they may be modified from time to time.

12.1.1 Incremental cost data submitted in accordance with Section 11.3 of this Operating Agreement shall be used, along with similar data for the Transmission Provider's resources, as the basis for least-cost redispatch for the next day(s) of operation. The Transmission Provider will implement

least-cost redispatch consistent with its existing contractual obligations and its current practices and procedures for its own resources. The Network Customer shall respond immediately to requests for redispatch from the Transmission Provider

12.1.2 If the Network Customer experiences any changes to its incremental costs, the Network Customer must submit those changes to the Transmission Provider. Any redispatch in accordance with this Agreement shall be based on the last incremental cost data received from the Network Customer prior to redispatch and any redispatch cost shall be based on such incremental cost data.

12.1.3 The Network Customer may audit particular redispatch events, at its own expense, during normal business hours following reasonable notice to the Transmission Provider. Either the Network Customer or the Transmission Provider may request an audit of the other Party's incremental cost data by an independent agent at the requester's cost, provided that such independent agent shall not be a buyer, seller, or broker of wholesale energy or an affiliate of such an entity and that such independent agent shall agree to keep such cost data confidential and to use such data solely for the purpose of the audit.

12.1.4 Once redispatch has been implemented, the Transmission Provider shall track the costs incurred by both the Transmission Provider and the Network Customer based on the submitted incremental costs. The Transmission Provider and the Network Customer will each bear a proportional share of the total redispatch costs based on their then-current Load Ratio Shares. The Transmission Provider will debit or credit the Network Customer's monthly bill as appropriate.

12.2 If a system security issue cannot be resolved by redispatch in accordance with Section 12.1 of this Operating Agreement, the Network Customer shall curtail its schedules as requested by the Transmission Provider. The Transmission Provider shall curtail, on a nondiscriminatory basis, the transaction(s) that effectively relieve the constraint. To the extent practical and consistent with Good Utility Practice, any Curtailment shall be shared by the Transmission Provider and the Network Customer in proportion to their respective Load Ratio Shares.

12.3 The Parties shall implement load shedding programs to maintain the

reliability and integrity of the Transmission Provider's Control Area, as provided in Section 33.6 of the Tariff.

12.3.1 Load shedding shall include any combination of the following: (i) automatic load shedding; (ii) manual load shedding; and (iii) rotating interruption of customer load. The Transmission Provider will order load shedding to maintain the relative sizes of load served within the area requiring load shedding, unless otherwise required by circumstances beyond the control of the Transmission Provider or the Network Customer.

12.3.2 Automatic load shedding devices will operate without notice. When manual load shedding or rotating interruptions are necessary, the Transmission Provider shall notify the Network Customer's dispatchers or schedulers of the required action and the Network Customer shall comply as directed by the Transmission Provider.

12.3.3 The Transmission Provider shall, at its own expense, provide, operate, and maintain in service high-speed, digital under-frequency load shedding equipment on its own Transmission System. To the extent the Network Customer or Eligible Customer receiving service under the Service Agreement(s) has high-speed, digital under-frequency load shedding equipment on its system that is directly interconnected to the Transmission Provider's Transmission System, the Network Customer shall ensure that it and/or the Eligible Customer, as applicable, shall at its own expense provide, operate, and maintain that equipment. The Network Customer's and Eligible Customer's equipment shall be (i) compatible and coordinated with the Transmission Provider's load shedding equipment and (ii) set for the amount of load to be shed with frequency trips and tripping time as determined by the Transmission Provider. In the event the Transmission Provider modifies the load shedding system, the Network Customer shall, at its own expense, make changes to its equipment and setting of such equipment, as required. The Network Customer shall test and inspect the load shedding equipment within ninety days of taking Network Integration Transmission Service under the Tariff and at least once every two years thereafter and promptly provide a written report to the Transmission Provider of the results of such test. The Transmission Provider may request a test of the load shedding equipment with reasonable notice.

12.4 If the Network Customer fails to redispatch or curtail its Network Resources, or the Network Customer or Eligible Customer receiving service under the Service Agreement(s) fails to shed load in accordance with this Section 12, the Network Customer shall pay the Transmission Provider for each kilowatt-hour of generation or load it failed to redispatch, curtail or shed in accordance with Schedule 4 of the Tariff, Energy Imbalance.

13. Network Operating Committee

13.1 If constituted, the Network Operating Committee shall consist of one representative and one alternate from the Network Customer and one representative and one alternate from the Transmission Provider.

13.2 The Network Operating Committee shall coordinate operating criteria for the Parties' respective responsibilities under this Agreement.

13.3 Once constituted, the Network Operating Committee shall meet at least once a year, or at such other time as the Network Operating Committee may agree, to review the Parties' resource plans, to discuss the availability of transmission service for planned Network Resources designated under the Service Agreement(s), and to discuss the need for any additions to or upgrades of interconnection facilities in accordance with Section 8 of this Operating Agreement, as well as any other matters relating to the provision of Network Integration Transmission Service.

13.4 The Network Operating Committee shall not have any authority to (i) modify, amend, terminate, or supersede any provision of this Agreement, the Service Agreement, or the Tariff or (ii) to require any expansion of or addition to the Transmission Provider's Transmission System. The Transmission Provider shall have the authority to adopt rules or procedures for the implementation of this Agreement, the Service Agreement, and the Tariff that are consistent with such agreements, the Tariff, and Transmission Provider's local requirements and business practices.

14. Assignment

This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns, but shall not be assigned by either Party, except to successors to all or substantially all of the electric properties and assets of such Party,

without the written consent of the other.

15. **Dispute Resolution**

Disputes under this Agreement shall be subject to the dispute resolution procedures of Section 12 of the Tariff.

16. **Non-Dedication of Facilities**

An undertaking by either Party to the other Party under this Agreement shall not constitute the dedication of the system, or any portion thereof, of that Party to the public or to the other Party, or affect the status of that Party as an independent system. Any such undertaking shall cease upon the termination of this Agreement.

17. **Municipal Tax Exempt Bonds**.

Notwithstanding any other provision of this Agreement, Transmission Provider shall not be required to provide any service under this Agreement if in Transmission Provider's sole discretion the provision of such service would result in "private business use" as defined in Section 141(b)(6) of the Internal Revenue Code and the Treasury Regulations promulgated thereunder, as such laws and regulations may be amended, updated, modified or replaced.

18. **Waivers**

Any waiver by either Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. No waiver of any provision of this Agreement by Transmission Provider shall be effective unless such waiver is in writing and signed by an authorized representative of the Transmission Provider. Any delay, short of the statutory period of limitation in assessing or enforcing any right, shall not be deemed a waiver of such right.

19. **Relationship of Parties**

The obligations and liabilities of the Parties are several and not joint or collective, and nothing herein contained shall be construed as an association, joint venture, trust, or partnership, or to impose a trust or partnership covenant, obligation, or liability on or with regard to either Party. Each Party shall be individually liable and responsible for its

own covenants, obligations, and liabilities as herein provided. Neither Party shall be under the control of or shall be deemed to control the other Party. Neither Party shall be the agent of or have a right or power to bind the other Party without such other Party's express written consent.

20. **Governing Law and Costs**

This Operating Agreement was made and entered into pursuant to the laws of the State of California and the City of Los Angeles. This Operating Agreement shall be governed by, interpreted and enforced in accordance with the laws of the State of California without regard to conflict of law principles. Both Parties hereto agree that in any action to enforce the terms of this Operating Agreement, each Party shall be responsible for its own attorneys' fees and costs.

21. **Captions and Headings**

All captions and headings appearing in this Operating Agreement are inserted to facilitate reference and shall not govern, except where logically necessary, the interpretations of the provisions hereof.

22. **Notices**

Any notice or request made to or by either Party regarding this Operating Agreement shall be made to the representative of the other Party as indicated in the Service Agreement for Network Integration Transmission Service.

23. **Signature Clause**

The signatories hereto represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for which they sign.

IN WITNESS WHEREOF, the Parties have caused this Operating Agreement to be executed as of the_____ day of _____, _____.

For LADWP	**For [Network Customer]**
DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES BY BOARD OF WATER AND POWER COMMISSIONERS OF THE CITY OF LOS ANGELES	
By:	**By:**
Date:	**Date:**
And:	**And:**

ATTACHMENT H

Annual Transmission Revenue Requirement
For Network Integration Transmission Service

1. ~~1~~ The Annual Transmission Revenue Requirement for purposes of the Network Integration Transmission Service shall be $~~216~~346,~~854~~224,~~000~~908.

2. ~~2.~~ The amount in (1) shall be effective until amended by the Transmission Provider.

ATTACHMENT I

Index Of Network Integration Transmission Service Customers

None

ATTACHMENT J

Procedures for Addressing Parallel Flows

In a June 17, 2009 filing, the North American Electric Reliability Corporation's ("NERC"), consistent with Section 215 of the Federal Power Act and as directed by the Commission, requested Commission approval of revision to the Qualified Transfer Path Unscheduled Flow (USF) Relief for the Western Electricity Coordinating Council ("WECC"), Reliability Standard IRO-006-WECC-1 on March 26, 2007, and approved by the Commission on June 8, 2007. The revised Reliability Standard approved by the Commission on March 17, 2011 is intended to mitigate transmission overloads due to unscheduled flow on a transfer path designated by WECC as being qualified for unscheduled flow mitigation, and any subsequent revisions thereto, are hereby incorporated and made part of this Tariff. The current WECC Unscheduled Flow Reduction Procedure can be accessed via the NERC website at:

http://www.nerc.com/files/IRO-006-WECC-1.pdf

|ATTACHMENT K

Transmission Planning Process

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

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Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

I. Overview of the LADWP Transmission Planning Process

The City of Los Angeles (City) is a municipal corporation and charter city organized under the provisions of the California Constitution. The Department of Water and Power (LADWP) is a proprietary department of the City of Los Angeles, pursuant to the Los Angeles City Charter, and a "non-public utility" under Section 201(f) of the Federal Power Act.

LADWP is a vertically integrated utility, owning and operating the majority of its generation, transmission and distribution systems. The LADWP service area encompasses approximately 473 square miles and is populated by approximately 4.0 million residents of the City and Owens Valley, and LADWP serves approximately 1.4 million power customers in the City and 5,000 in the Owens Valley, making LADWP the nation's largest municipal electric utility.

As a non-public utility transmission provider, LADWP voluntarily maintains an Open Access Transmission Tariff (OATT) and Open Access Same-time Information System (OASIS). Pursuant to its membership in WestConnect,[1] LADWP undertakes an annual local transmission planning process and also coordinates its transmission planning process with other transmission providers and stakeholders in the Western Interconnection through subregional, regional and inter-regional processes. LADWP is also a member of the Western Electricity Coordinating Council (WECC) and participates in the WECC transmission planning studies.

This Attachment K describes the local, regional, and interregional transmission planning and cost allocation processes used by LADWP, which are consistent with FERC's standards for reciprocity and comparability expressed by the Federal Energy Regulatory Commission (FERC) in Order Nos. 888, 890, and 1000.

[1] WestConnect was formed under a memorandum of understanding (MOU) voluntarily entered into by transmission providing electric utilities in the Western Interconnection. The purposes of WestConnect are to investigate the feasibility of wholesale market enhancements, work cooperatively with other Western Interconnection organizations and market shareholders and address seams issues in the appropriate forums. WestConnect has initiated an effort to facilitate and coordinate regional transmission planning across the WestConnect footprint as an Order No. 1000 transmission planning region, and to participate in inter-regional transmission planning processes in the Western Interconnection.

II. LADWP Local Transmission Planning

A. Local Planning Process

1. Open Participation

Participation in LADWP's local planning process is open to all interested parties, including but not limited to, all transmission service customers, balancing authority area services customers, interconnecting neighboring transmission providers, state agencies, regulatory agencies, and other stakeholders.

2. Purpose of Planning Studies

LADWP's local transmission planning process is designed to meet the following needs:

a. Provide adequate transmission for resources in order to reliably and economically serve Network Customers' and Native Load Customers' requirements for planned loads and resources, including demand response resources, and transmission service to third parties from its available transfer capability.

b. Support LADWP's transmission and distribution systems.

c. Coordinate new interconnections with other transmission systems.

d. Accommodate requests for long-term transmission access.

3. Types of Local Planning Studies

a. Local Reliability Studies. LADWP will conduct reliability studies to ensure that all NERC, WECC, and local reliability standards are met for each year of the ten-year planning horizon. These reliability studies will be coordinated with the other regional transmission planning organizations through the Southwest Area Transmission (SWAT) group and WECC study efforts.

b. Local Economic Studies. Economic planning studies are performed to identify significant and recurring congestion on the transmission system and/or address the integration of new resources and loads. Such studies may analyze any, or all, of the following: (i) the location and magnitude of the congestion, (ii) possible remedies for the elimination of the congestion, in whole or in part, including transmission solutions, generation solutions and solutions utilizing demand response resources, (iii) the associated costs of congestion, and (iv) the costs associated with relieving congestion through system enhancements (or other means), and, as appropriate, (v) the economic impacts of integrating new resources and loads. As described below in Section 9, LADWP may perform, or cause to be performed, economic planning studies at the request of any transmission customer or

stakeholder, and may utilize the WECC public data bases. Local economic planning studies performed by LADWP or its contractors that are initiated by a stakeholder request will be borne by the requester. The customer shall pay the full estimated cost prior to LADWP beginning the study, and LADWP shall either refund any over-collection or bill any under-collection after completion of the study.

c. Consideration of Public Policy Requirements. For purposes of this Attachment K, "Public Policy Requirements" means those requirements enacted by state or federal laws or regulations, including those enacted by local governmental entities, such as a the LADWP Board of Water and Power Commissioners and/or the City Council. Public Policy Requirements, as applicable, are incorporated into the load forecasts and/or are modeled in the local planning studies. Proposed public policies (*i.e.*, a public policy proposed before a governmental authority but not yet enacted) may be studied if time and resources permit.

4. Local Transmission Planning Cycle

LADWP conducts its local transmission planning on a calendar year cycle for a ten-year planning horizon. LADWP updates its ten-year plan annually. To the extent possible, LADWP coordinates the timing of its local planning study cycle with the WestConnect and WECC study processes.

Stakeholders may participate in identifying local transmission needs by contacting LADWP' Point of Contact described in Section II.A.7.a below. Stakeholders also have the opportunity to offer input or make proposals at LADWP's Q2 Meeting and Q4 Meeting, which are open public planning meetings held pursuant to Section II.B of this Attachment K. Through these two avenues for communication – *i.e.*, email communications with the LADWP Point of Contact and/or participation at the open public planning meeting(s) – stakeholders may participate in the evaluation of solutions to identified local transmission needs that may be selected by LADWP for further evaluation. Stakeholders may provide comments on proposed solutions or may submit other proposed solutions to local transmission needs.

5. Exchange of Data, Confidential Information, and Use of Customer Data

a. LADWP exchanges information on transmission plans and related data on a regular basis in accordance with the schedule for data submittal established by WECC, WestConnect and other transmission planning groups. LADWP obtains data used for its local transmission planning studies from the WECC data bases for reliability studies. Economic studies performed by LADWP for local transmission projects will rely on LADWP studies using security-constrained production cost analysis software (*e.g.*, PROMOD, GridView, Plexos, or equivalent).

b. Confidential, or Proprietary and Critical Energy Infrastructure Information (CEII). LADWP's transmission planning studies include base case data that contain WECC proprietary data, and/or confidential information and/or critical energy infrastructure information (CEII). A stakeholder must hold membership in, or execute a non-disclosure agreement with WECC in order to obtain a base case from WECC. Requests for detailed base case data must be submitted to WECC in accordance with the WECC procedures. Additionally, LADWP makes refinements to the WECC base case that may be LADWP proprietary data, confidential information and/or CEII. For stakeholders that execute the appropriate non-disclosure agreements and clearances consistent with the WECC procedures, LADWP will provide stakeholders the criteria, and assumptions and refinements LADWP makes to the WECC base case, including the models used in its local transmission plan, once the stakeholder executes the appropriate non-disclosure agreements and clearances consistent with the WECC procedures and executes a non-disclosure agreement with LADWP.

c. Restrictions on Access to Information for Competitive Duty Personnel. People involved in marketing functions or other wholesale power sales and marketing activities may be restricted from access to certain local transmission planning data, and/or may be required to execute additional non-disclosure agreements.

d. As a public entity, LADWP is subject to the California Public Records Act, California Government Code §§6250 *through* 6276.4, and the Ralph M. Brown Act, California Government Code 54950 *et sec*.

6. Customer's Responsibility to Provide Data

a Deadline for Submission of Data by Customers. To maximize the effectiveness of the LADWP planning process, each Transmission Customer shall provide LADWP with its ten-year of the data specified in sub-section (b) below along with supporting documentation. This information, including the data set forth in Section 6.b below, must be submitted by February 1 of each year in order to be included in the planning process for the annual local transmission plan.

b. Data to be Submitted. To the maximum extent practical and consistent with protection of proprietary information, data submitted by customers shall include the following information for the ten-year planning horizon:

- Generators – planned additions or upgrades (including status and expected in-service dates), planned retirements and any environmental restrictions.

- Demand response resources – existing and planned demand response resources and their impacts on demand and peak demand.

- Point-to-Point transmission customers – projections of need for service, including transmission capacity, duration of service and points of receipt and delivery.

- Non-Transmission Alternatives (NTAs) - including, but not limited to, technologies that defer or possibly eliminate the need for new and/or upgraded transmission lines. Such alternatives include, but are not limited to: Distributed Generation resources and Demand Side Management (load management), such as Energy Efficiency and Demand Response (*e.g.*, interruptible load) programs, energy storage facilities, and smart grid equipment that can help eliminate (or mitigate) a grid reliability problem, reduce uneconomic grid congestion, and/or help to meet grid needs driven by Public Policy Requirements.

- Balancing Authority Area Services customers - Customers taking service from LADWP under a Balancing Authority Area Services Agreement (BAASA) shall provide information as required by the BAASA.

- Network Customers and Native Load Customers – Each Network Customer and Transmission Provider on behalf of Native Load Customers shall provide an updated ten-year forecast of projected Network Load and Network Resources (including demand response resources) to LADWP on an annual basis. The update shall include the information identified in Section 29.2(ix) of the Tariff.

c. Notification of Material Changes to Customer Data. Each customer is responsible for submitting timely written notice to LADWP of material changes in any of the information previously provided related to the customer's load, resources (including NTAs), or other aspects of its facilities or operations which may, directly or indirectly, affect LADWP's ability to provide service, within 10 business days of such event.

7. Procedures for Requesting a Local Transmission Planning Study.

Any LADWP transmission customer or other interested stakeholder, including those seeking transmission solutions, generation solutions and solutions utilizing NTAs may submit a study request to LADWP, and economic planning study requests shall also be submitted directly to LADWP.

a. LADWP Point of Contact. LADWP shall identify a Point of Contact and email address on its website and/or OASIS to respond to customer/stakeholder questions regarding modeling, criteria, assumptions and data underlying system plans. All requests submitted to LADWP should be electronically forwarded to LADWP by email to the Point of Contact.

b. Deadline for Local Study Requests. To be considered for inclusion in the LADWP local transmission plan, the local study request must be submitted no later than February 1 of the calendar year.

c. Internet Posting of Local Study Requests. Subject to confidentiality requirements, requests for LADWP local planning studies and responses to such requests shall be posted on the LADWP website and/or OASIS.

d. Consideration of Requests. LADWP will review timely submitted local study requests with input from stakeholders in a public transmission meeting. Based in part on the number and type of requests received, LADWP will consider:

i. Whether the study is a local priority request and determine if the study should be performed by LADWP or referred to a more appropriate transmission provider, or

ii. Whether the study request encompasses a region, in which case LADWP will transfer the request to WestConnect for consideration as a regional priority request at WestConnect's stakeholder meeting; or

iii. Whether the study request encompasses the Western Interconnection, in which case LADWP will transfer the request to WECC for consideration in the WECC transmission planning process.

e. Timeline for Performing Local Studies Requested by Stakeholders. After review of requested local studies with stakeholders, LADWP will establish a study plan with timelines for local studies that are performed by LADWP on a case-by-case basis. The study plan for each local study performed by LADWP will be based on LADWP's evaluation of the nature of the study and its complexity. The timelines for completion of such studies may extend beyond the annual study planning cycle.

8. LADWP Process for Evaluating Local Study Requests.

a. LADWP Local Study Criteria and Guidelines. LADWP plans its transmission system in accordance with the NERC and WECC Planning Reliability Standards, along with LADWP's own design, planning and operating criteria which it utilizes for all customers on a comparable and

non-discriminatory basis. The engineering criteria utilized by LADWP are based on the WECC standards; the economic criteria are decided upon for each study by individual participants when determining the value of a suggested project.

b. Basis for Evaluation of LADWP and Stakeholder Alternative Solutions. LADWP's planning process is an objective process that evaluates use of the transmission system on a comparable basis for all customers. All solution alternatives that have been presented on a timely basis, including transmission solutions, generation solutions and solutions utilizing demand response resources, whether presented by LADWP or another Stakeholder, will be evaluated on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of Stakeholder. Alternative solutions will be evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions:

   i. Ability to practically fulfill the identified need;

   ii. Ability to meet applicable reliability criteria or NERC Planning Standards issues;

   iii. Technical, operational and financial feasibility;

   iv. Operational benefits/constraints or issues;

   v. Cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); and

   vi. Where applicable, consistency with state or local integrated resource planning requirements, or regulatory requirements, including cost recovery through rates.

c. After seeking the input of stakeholders, LADWP shall determine in accordance with this Section II of Attachment K whether to select a particular local solution in its local transmission plan. LADWP will post its local transmission plan, which will include any such solutions selected.

d. LADWP is not required to identify any particular set of local transmission needs, but if LADWP chooses not to identify any stakeholder-suggested local transmission need as a transmission need for which solutions will be evaluated in the local transmission planning process, LADWP will post on its website and/or OASIS an explanation of why the suggested transmission need will not be evaluated. Such postings will include both

an explanation of those local transmission needs that have been identified for evaluation for potential solutions in the local transmission planning process, and an explanation why other stakeholder-suggested transmission needs were not identified for further evaluation. After considering the input of stakeholders, LADWP shall determine whether to move forward with the identification of a local solution to a particular local need.

e. Local Transmission Planning Study Request Determined to be a Local Priority Request. If LADWP determines, using input from stakeholders obtained through the LADWP open public transmission meeting, that the local planning study request is a local priority study – *e.g.* the study request does not affect interconnected transmission systems and the remedies are confined to and may be resolved within the local LADWP Balancing Authority Area – then LADWP may conduct the study internally and coordinate assumptions and results with its customers, stakeholders and interconnected neighbors. Criteria used to determine whether a local planning study request is a priority request include the following:

i. What portion of the LADWP transmission system will be under consideration in the study?

ii. Does the request raise fundamental design issues of interest to multiple parties?

iii. Does the request raise public policy issues of national, regional or state interest, *e.g.,* with respect to renewable power, and location of both conventional and renewable resources?

iv. Can the objectives of the study be met by other studies?

v. Will the study provide information of broad value to customers, regulators, transmission providers and other interested stakeholders?

vi. Can similar requests for studies or scenarios be represented generically if the projects are generally electrically equivalent?

vii. Can requests be aggregated into energy or load aggregation zones with generic transmission expansion between?

viii. Does the study request require the use of production cost simulation or can it be better addressed through technical studies, *i.e.*, power flow and stability analysis?

f. Lower Priority Local Study Requests. If LADWP determines, after reviewing through an open stakeholder process, that the request for a local planning study is a lower priority, the requester may request that LADWP assist the requester in having a third party perform the local planning analysis at the requester's expense.

g. Clustering Local Priority Studies. LADWP may determine that any number of requesters' local planning study requests should be studied together or a requester may request that LADWP study its request together with other requests. LADWP will combine such studies as it deems appropriate. If local study requests are combined, the study costs will be shared among the requesters. LADWP will consider the following criteria to determine whether to cluster requested priority local studies, both on its own volition and in response to a Requester's request:

i. LADWP-Proposed Clusters: In the event that LADWP proposes to cluster certain priority local planning studies on any reasonable grounds, including, without limitation, upon its determination that the proposed cluster studies are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied as a group, it shall provide notices to each requester that it proposes to include in the study. Each requester shall be provided the opportunity to opt out of the cluster within ten (10) days of notice from LADWP.

ii. Requester-Proposed Clusters: If a requester wishes to propose a cluster study, prior to submitting a local planning study cluster request to LADWP, the requester must contact all of the other Requesters whose requests it proposes to cluster and obtain their written consent that they are willing to have their request clustered with other identified requests. LADWP will reasonably determine whether the local planning study requests that the requester proposes to cluster and for which the other affected requesters have provided consent, are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied together. LADWP reserves the right to reject a requester-proposed cluster on any reasonable grounds, including, without limitation, upon its determination that the proposed cluster cannot be feasibly studied as a group or that the proposed clustering impairs administration or timely processing of the economic study process. LADWP will make the determination whether to reject a proposed cluster, and provide notice of any decision to reject, within twenty (20) days of receipt of all of the written consents of the requesters that propose to be clustered.

h. Posting of Local Transmission Needs. LADWP will maintain on its website and/or OASIS (i) a list of all local transmission needs identified that are included in the studies for the current local planning cycle; and (ii) an explanation of why other suggested transmission needs will not be evaluated.

i. Communication of LADWP Transmission Study Plans and Local Planning Results. LADWP transmission study plans and planning results will be communicated through presentations at the Q2 Meeting and Q4 Meeting described in Section II.B below and made available upon request.

9. Local Economic Planning Studies.

a. Deadline for Local Economic Planning Study Requests. To be considered for inclusion in the LADWP local transmission plan, the local economic planning study request must be submitted no later than February 1 of the calendar year.

b. For timely submitted economic planning study requests, submitted no later than February 1 and in accordance with this Attachment K, LADWP will review the request with input from stakeholders at the Q2 Meeting, the local public planning meeting described in Section II.B.

c. Based in part on the number and type of requests received, LADWP will consider whether the study is a local priority request and determine if the study should be performed by LADWP or referred to a more appropriate transmission provider, or whether the study request encompasses a sub-region or region, in which case LADWP will transfer the request to WECC.

d The procedures for evaluating local economic planning studies are the same as those procedures used to evaluate any other project proposed in the local planning process, as described in Section 8 above.

e. For lower priority local economic planning studies, LADWP may at its discretion perform the economic planning studies itself, or utilize a third-party to perform the local economic planning study with a security-constrained production cost analysis case (*e.g.*, PROMOD, GridView, Plexos, or equivalent) provided by LADWP. Access to data used in security-constrained production cost analysis may require execution of appropriate non-disclosure agreements (NDA).

10. Local Public Policy Study Requests.

The procedures for evaluating potential solutions to the identified local transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the local planning process, as described in Section 8 above.

a. If a stakeholder identifies a local transmission need driven by a Public Policy Requirement, LADWP will review the identified local transmission need with input from stakeholders in a public transmission meeting. Based in part on the number and type of requests received, LADWP will consider whether:

(i) The suggested transmission need is local and determine if the study should be performed by LADWP, or

(ii) Whether the facilities associated with the identified transmission need are regional, in which case LADWP will transfer the request to WestConnect for consideration at WestConnect's stakeholder meeting or

(iii) Whether the facilities associated with the identified transmission need are West-wide, in which case LADWP will transfer the request to WECC for consideration at WECC stakeholder meeting.

b. No single factor shall necessarily be determinative in selecting among the potential transmission needs driven by Public Policy Requirements. In selecting those local transmission needs driven by Public Policy Requirements that will be evaluated for solutions in the current planning cycle, LADWP will consider, on a non-discriminatory basis, factors, including but not limited to, the following:

(i) Whether the Public Policy Requirement is driving a local transmission need that can be reasonably identified in the current planning cycle;

(ii) The feasibility of addressing the local transmission need driven by the Public Policy Requirement in the current planning cycle;

(iii) The factual basis supporting the local transmission need driven by the Public Policy Requirement; and

(iv) Whether a Public Policy Requirement has been identified for which a local transmission need has not yet materialized, or for which there may exist a local transmission need but the development of a solution to that need is premature.

[*One example is a renewables portfolio increase that is enacted for implementation in a future year, and for which the process by which the renewable resource is to be identified, selected, and sited under the governing state- regulated resource adequacy process*

has not yet begun (making it premature to identify the location and scope of the local transmission need and/or the appropriate solution for the need).]

11. Cost Responsibility for Local Transmission Planning Studies Performed by LADWP

a. Local transmission planning studies performed by LADWP or its contractors that are initiated by LADWP as part of its annual ten-year local transmission study process will be borne by LADWP and recovered in rates.

b. Local transmission planning studies performed by LADWP or its contractors that are initiated by a stakeholder request will be borne by the requester. The customer shall pay the full estimated cost prior to LADWP beginning the study, and LADWP shall either refund any over-collection or bill any under-collection after completion of the study.

B. Annual Local Transmission Planning Open Public Meetings

1. Purpose

Each year LADWP will conduct two local transmission planning open public meetings that will allow stakeholders to participate in LADWP's local transmission planning process. The meetings will be open to all stakeholders and will provide two open, transparent forums that will serve to:

a. Promote discussion of all aspects of the LADWP transmission planning activities, including, but not limited to, methodology, study inputs, study results, and alternative solutions.

b. Provide a forum for LADWP to better understand the specific electric transmission interests of all stakeholders.

c. Provide a meaningful opportunity for stakeholders to engage in planning along with LADWP by creating opportunities for stakeholders to review and comment on the criteria, assumptions, and models used by LADWP in the local transmission planning activities prior to finalization of the LADWP local transmission plan.

2. Public Meeting Process

a. **Q2 Meeting**: In the second calendar quarter of the year, LADWP will host a local transmission planning open public meeting (Q2 Meeting), at which LADWP shall explain and discuss:

- The status of any unresolved issues from the prior local transmission planning process cycle;
- the base cases it intends to use for its local transmission planning study;

- the assumptions it plans to use for the local transmission planning study;
- the study plan (i.e., method for analysis) to guide the local transmission planning study;
- the local needs identified on the system to be considered in the study;
- the alternatives under consideration to be evaluated in the study; and
- the local transmission planning studies that were timely requested by stakeholders in accordance with Section 7.

b. **Q4 Meeting**: In the fourth calendar quarter of the year, LADWP will host a local transmission planning open public meeting (Q4 Meeting), at which LADWP shall:

- provide an overview of the draft local transmission planning study;
- review the assumptions it used for the local transmission planning study;
- review of the study plan (i.e., method for analysis) to guide the local transmission planning study;
- review of local needs identified on the system that were considered in the study;
- review the alternatives considered in the study;
- review of the local transmission planning studies requested by stakeholders; and
- provide updates on its planned local transmission projects and non-transmission alternatives; and
- explain and discuss the preliminary draft local transmission planning study results, including results of studies requested by stakeholders that were performed by LADWP.

3. Stakeholder Comments

Stakeholders can comment and provide input to LADWP during the local transmission planning process.

4. Meeting Notices and Communication

a. Meeting notices, including date, time, place and meeting agenda, will be posted on the LADWP website and/or OASIS. LADWP will establish and post its public planning meetings schedule at least once annually, and at least two weeks prior to meetings.

b. The agenda for each LADWP's public local transmission planning meeting will be sufficiently detailed, posted on the LADWP website and/or OASIS and be circulated to an email distribution list in advance of the meetings in order to allow advance notice to customers and stakeholders.

c. All existing LADWP transmission and other wholesale customers will be included on LADWP's distribution list and actively notified via email of local transmission planning open public meeting(s). Any other stakeholder wanting to be included on LADWP's email distribution list should submit its information to the LADWP Point of Contact identified on the LADWP website and/or OASIS.

d. LADWP will post all meeting-related notes, documents and drafts or final reports on its website and/or OASIS.

e. In order to permit all stakeholders access to the information posted on the website or OASIS listed in Section II, B.3.d, only public information will be shared, and in accordance with state and local laws, only public business shall be conducted in public local transmission planning meeting(s).

5. Unresolved Issues

The status of any stakeholder issues that were not resolved during the local transmission planning process will be addressed by LADWP in the following local transmission planning process cycle (Q2 Meeting).

III. Regional Transmission Planning

This Section of Attachment K to the LADWP OATT implements the requirements for regional planning set forth in Federal Energy Regulatory Commission Order Nos. 890 and 1000. LADWP engages in regional planning and coordination within the WestConnect regional process (Regional Planning Process), which also includes LADWP's participation in interregional planning in the United States portion of the Western Interconnection through its participation in WestConnect.

The purpose of the Regional Planning Process is to produce a regional transmission plan (the Regional Plan) and provide a process for evaluating projects submitted for cost allocation in accordance with the provisions of this Attachment K and those business practices adopted by WestConnect in the WestConnect Regional Planning Process Business Practice Manual, as may be amended from time to time, available on the WestConnect website (Business Practice Manual).

A. Overview

The WestConnect Planning Region is defined by the transmission owner and transmission provider members (referred to generally as Transmission Owners) participating in the Regional Planning Process and for which WestConnect is conducting regional planning. The service areas of the Transmission Owners consist of all or portions of nine states: Arizona, California, Colorado, Nebraska, New Mexico, Nevada, South Dakota, Texas and Wyoming. Non-public utilities such as LADWP are invited to participate in the Regional Planning Process.

Following the effective date of the enrolled Transmission Owners, September 20, 2013 Order No. 1000 compliance filings with the Federal Energy Regulatory Commission ("Effective Date"), the WestConnect Order No. 1000 regional transmission planning management committee (the Planning Management Committee or PMC) is responsible for administering the Regional Planning Process. In order to align its regional process with the western interregional coordination process, WestConnect began its biennial process in 2016. WestConnect conducted an abbreviated planning process in 2015.

In conjunction with creating the new PMC, the WestConnect members, in consultation with interested stakeholders, have established a separate project agreement (the Planning Participation Agreement) to permit interested stakeholders to participate in the Regional Planning Process. Although the Regional Planning Process is open to the public, stakeholders interested in having a voting right in decisions related to the Regional Planning Process are required to execute the Planning Participation Agreement and any necessary confidentiality agreements. The PMC implements the stakeholder-developed Regional Planning Process, which results in a Regional Plan for the ten-year transmission planning horizon.

1. WestConnect Planning Participation Agreement

   Each WestConnect member is a signatory to the Planning Participation Agreement, which formalizes the members' relationships and establishes obligations, including Transmission Owner coordination of regional transmission planning among the WestConnect participants and the local transmission planning processes, and producing a Regional Plan.

2. Members

   WestConnect members can fall into 2 different categories: (i) transmission owners that enroll in the WestConnect Planning Region in order to comply with Order No. 1000 planning and cost allocation requirements, as well as Transmission Owners that elect to participate in the WestConnect Regional Planning Process without enrolling for Order No. 1000 cost allocation purposes, and (ii) stakeholders who wish to have voting input into the methodologies, studies, and decisions made in the execution of those requirements.

a. Joining the WestConnect Planning Region

A transmission owner that wishes to enroll or participate in the WestConnect Planning Region may do so by executing the Planning Participation Agreement and paying its share of costs as provided for in the Planning Participation Agreement.

A stakeholder that wishes to have voting input may join the WestConnect Planning Region by executing the Planning Participation Agreement, paying annual dues, and complying with applicable provisions as outlined in such agreement. For further information regarding membership dues, please see WestConnect's Planning Participation Agreement, located on the WestConnect website at http://www.westconnect.com./planning_agreement.php and on file with FERC.

b. Exiting the WestConnect Planning Region

Should a Transmission Owner member wish to exit the WestConnect Planning Region, it must submit notice in accordance with the Planning Participation Agreement and pay its share of any WestConnect expenditures approved prior to providing its formal notice of withdrawal from the WestConnect Planning Region.

Should a stakeholder wish to exit the WestConnect Planning Region, it may do so by providing notice in accordance with the Planning Participation Agreement. Withdrawing stakeholders will forfeit any monies or dues paid to the PMC and agree to remit to the PMC any outstanding monies owed to WestConnect prior to the effective date of such withdrawal.

c. List of Enrolled Entities

Transmission owners enrolled in the WestConnect Planning Region for purposes of Order No. 1000:

i. Arizona Public Service Company
ii. Black Hills Colorado Electric Utility Company, LP
iii. Black Hills Power, Inc.
iv. Cheyenne Light, Fuel, & Power Company
v. El Paso Electric Company
vi. NV Energy, Inc. Operating Companies
vii. Public Service Company of Colorado
viii. Public Service Company of New Mexico
ix. Tucson Electric Power Company

x. UNS Electric, Inc.

3. WestConnect Objectives and Procedures for Regional Transmission Planning

The Regional Planning Process will produce a Regional Plan that complies with existing Order No. 890 principles and carried forward in Order No. 1000:

a. Coordination

b. Openness

c. Transparency

d. Information exchange

e. Comparability

f. Dispute resolution

g. Regional Coordination

h. Economic Planning Studies

i. Cost Allocation

4. LADWP, along with the other Planning Participation Agreement signatories, shall work through the Regional Planning Process to integrate its transmission plan with the other WestConnect participant transmission plans into a single ten-year Regional Plan for the WestConnect planning region by:

a. Actively coordinating development of the Regional Plan, including incorporating information, as appropriate, from all stakeholders;

b. Coordinating, developing and updating common base cases to be used for all study efforts within the Regional Planning Process and ensuring that each plan adheres to the methodology and format developed for the Regional Plan;

c. Providing funding for the Regional Planning Process and all planning management functions pursuant to the Planning Participation Agreement;

d. Maintaining a regional planning section on the WestConnect website[2] where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted;

e. Posting detailed notices of all regional and local planning meeting agendas on the WestConnect website; and

[2] The WestConnect website is located at http://www.westconnect.com.

f. Establishing a cost allocation process for regional transmission projects selected in the Regional Planning Process for cost allocation.

B. Roles in Regional Planning Process

1. PMC Role

The PMC is responsible for bringing transmission planning information together and sharing updates on active projects. The PMC provides an open forum where any stakeholder interested in the planning of the regional transmission system in the WestConnect footprint can participate and obtain information regarding base cases, plans, and projects and provide input or express its needs as they relate to the transmission system. On a biennial basis and in coordination with its members, Transmission Owners, and other interested stakeholders, the PMC will develop the Regional Plan. The PMC, after considering the data and comments supplied by customers and other stakeholders, develops a regional transmission plan that treats similarly-situated customers (*e.g.*, network, retail network, and native load) comparably in transmission system planning.

The PMC is charged with development and approval of the Regional Plan. The PMC is structured to be comprised of representatives from each stakeholder sector. The PMC is empowered to create and dissolve subcommittees as necessary to facilitate fulfillment of its responsibilities in developing the Regional Plan.

2. Stakeholder Participation and Assistance

Stakeholders may participate in the Regional Planning Process by any one or more of the following ways: (a) joining one of five WestConnect regional transmission planning membership sectors described below; (b) by attending publicly-posted WestConnect regional transmission planning stakeholder meetings; and/or (c) by submitting project proposals for consideration and evaluation in the Regional Planning Process.

Attendance at meetings is open to all interested stakeholders. These meetings will include discussion of models, study criteria and assumptions, and progress updates. Formal participation, including voting as allowed by the process, can be achieved through payment of applicable fees and annual dues as a member of WestConnect in accordance with the Planning Participation Agreement. Transmission Owners with a Load Serving Obligation will not be responsible for annual dues because Transmission Owners with a Load Serving Obligation will be the default source of monies to support WestConnect activities beyond dues paid by other organizations.

WestConnect Planning Region members will assist stakeholders interested in becoming involved in the Regional Planning Process by directing them to appropriate contact persons and websites. All stakeholders are encouraged to bring their plans for future generators, loads or transmission services to the WestConnect planning meetings. Each transmission planning cycle will contain a period during which project ideas are accepted for potential inclusion in that cycle's Regional Plan.

3. Forum for Evaluation

The WestConnect Regional Planning Process provides a forum for transmission project sponsors to introduce their specific projects to interested stakeholders and potential partners and allows for joint study of these projects by interested parties, coordination with other projects, and project participation, including ownership from other interested parties. This may include evaluation of transmission alternatives or non-transmission alternatives in coordination with the Regional Planning Process.

4. Stakeholder Meetings

WestConnect holds open stakeholder meetings on at least a semi-annual basis, or as needed and noticed by the PMC with 30 days' advance notice to update stakeholders about its progress in developing the Regional Plan and to solicit input regarding material matters of process related to the Regional Plan. Notice for such meetings is posted on the WestConnect website and via email to the Regional Planning Process email distribution list.

The meeting agendas for all WestConnect planning meetings are sufficiently detailed, posted on the WestConnect website, and circulated in advance of the meetings in order to allow stakeholders the ability to choose their meeting attendance most efficiently.

5. WestConnect Planning Process Governance

a. Membership Sectors

The Regional Planning Process is governed by the PMC, which is tasked with executing the Regional Planning Process and has authority for approving the Regional Plan. For those entities desiring to be a part of the management of the Regional Planning Process, one of five PMC membership sectors is available:

i. Transmission Owners with Load Serving Obligations
ii. Transmission Customers

iii. Independent Transmission Developers and Owners
iv. State Regulatory Commissions
v. Key Interest Groups

Only transmission owners that have load serving obligations individually or through their members may join the Transmission Owners with Load Serving Obligations membership sector. The Transmission Owners with Load Serving Obligations sector will be comprised of (a) those transmission owners that enroll in the WestConnect Planning Region for purposes of Order No. 1000; and (b) those transmission owners that elect to participate in the WestConnect Regional Planning Process as Coordinating Transmission Owners.

Except for Public Utilities that are required to comply with Order No. 1000, any entity may join any membership sector for which it qualifies, but may only participate in one membership sector at a time. If a non-public utility is qualified to join the Transmission Owners with Load Serving Obligations sector as well as one or more other sectors, and the non-public utility elects to join a sector other than the Transmission Owners with Load Serving Obligations sector, the PMC will not perform the function of regional transmission planning for that entity. Additionally, if a member of the Transmission Owner with Load Serving Obligations sector owns transmission facilities located in another planning region, the PMC will not perform the function of regional planning for such facilities located in another planning region.

b. Planning Management Committee

The PMC is empowered to create and dissolve subcommittees as necessary to ensure timely fulfillment of its responsibilities; to assess fees for membership status on the PMC; and to assess fees for projects submitted for evaluation as part of the Regional Planning Process. The PMC manages the Regional Planning Process, including approval of the Regional Plan that includes application of regional cost allocation methodologies.

The PMC coordinates and have the decision-making authority over whether to accept recommendations from the Planning Subcommittee (PS) and Cost Allocation Subcommittee (CAS). The PMC, among other things, develops and approves the Regional Plan based on recommendations from the PS and CAS; and develops and approves a scope of work, work plan, and periodic reporting for WestConnect planning functions, including holding a minimum of two stakeholder informational meetings per year. The PMC appoints the chair of the PS and CAS. The chair for each subcommittee must be a representative of the Transmission Owners with Load Serving Obligations member sector.

The PS responsibilities include, but are not limited to, reviewing and making recommendations to the PMC for development of study plans, establishing base cases, evaluating potential solutions to regional transmission needs, producing and recommending the Regional Plan for PMC approval, and coordinating with the CAS. The PS provides public notice of committee meetings and provides opportunities for stakeholders to provide comments on the process and proposed plan.

The CAS responsibilities include, but are not limited to, performing and/or overseeing the performance of the cost allocation methodology. The CAS also reviews and makes recommendations to the PMC for modifying definitions of benefits and cost allocation methodology as necessary to meet WestConnect planning principles on identification of beneficiaries and cost allocation. The CAS reviews and recommends projects to the PMC for purposes of cost allocation identified in the Regional Planning Process. The CAS provides public notice of committee meetings and provides opportunities for stakeholders to provide comments on the process and proposed cost allocation.

All actions of the PMC (including approval of the Regional Plan) are made possible by satisfying either of the following requirements:

i. 75% of the members voting of at least three (3) sectors approving a motion, where one of the three sectors approving is the Transmission Owners with Load Serving Obligation sector; or

ii. 75% of the members voting of the four member sectors other than the Transmission Owners with Load Serving Obligation sector approving a motion and two-thirds (2/3) of the members voting of the Transmission Owners with Load Serving Obligation sector approving a motion.

Each entity within a membership sector is entitled to one vote on items presented for decision.

Any closed executive sessions of the PMC will address matters outside of the development of the Regional Planning Process, including matters involving contracts, personnel, financial matters, or legal matters such as, but not limited to, litigation (whether active or threatened).

C Submission of Data by Customers, Transmission Developers and Transmission Owners

When stakeholder feedback on modeling assumptions is requested, the data submittal period for such feedback is established by the PMC. In all cases, requests for submittal of data from WestConnect members and stakeholders is followed by a data submittal window lasting no less than thirty (30) days from the date of such requests. In addition, consistent with the Regional Planning Process, any interested stakeholder may submit project ideas for consideration in the Regional Plan without a need for that stakeholder to qualify for a project submittal for purposes of cost allocation. Specific project submittals are treated differently than generalized project ideas. For any project submittal seeking study by the PMC in the Regional Planning Process to address a regional need identified by the PMC (without regard to whether the project seeks cost allocation), a project submittal deposit will be collected and made subject to later true-up based upon the actual cost of the study(ies) performed. Project submittals are accepted through the fifth (5th) quarter of the planning cycle (or first (1st) quarter of the second (2nd) year). A timeline detailing the timing and notice for submission of information and input can be found in Exhibit 1 of this Attachment K.

1. Transmission Customers

   Transmission customers shall generally submit their load forecast and other relevant data through the WestConnect member's (*e.g.*, LADWP's) local transmission planning process. However, from time to time, there may be a need for transmission customers participating in the Regional Planning Process to submit data directly to WestConnect. This data may include, but is not limited to load forecasts, generation resource plans, demand side management resources, proposed transmission upgrade recommendations, and feedback regarding certain assumptions in the planning process.

   No less than thirty (30) days' notice will be given for customers to submit any required data and data submissions will generally be able to be made via email or by posting information to a designated website.

2. Independent Transmission Developers and Owners

   Transmission Developers are entities with project ideas they wish to submit into the Regional Planning Process. These may include project submittals that the developer wishes to be considered to address an identified regional need (whether or not the project is eligible for regional cost allocation).

   Each regional transmission planning cycle will include a submission period for project ideas as described in Section III.C.5 below. Notice of the submission period

is posted on the WestConnect website and is made via email to WestConnect stakeholders. The submission period lasts for no less than thirty (30) days and during this time, any entity that wishes to submit a transmission project for consideration in the Regional Planning Process to address an identified regional need may do so.

Projects proposed by Independent Transmission Developers and Owners are subject to the same Reliability Standards as projects submitted by Transmission Owners with Load Serving Obligations. The project developer shall register with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organizations, and all local, state, regional, and federal requirements.

3. Merchant Transmission Developers

Merchant Transmission Developers are entities pursuing completion of projects that do not wish to have their projects considered for regional cost allocation. Nonetheless, coordination between merchant projects and the Regional Planning Process is necessary to affect a coordinated Regional Plan that considers all system needs.

Each regional transmission planning cycle includes a submission period for project submittals to address an identified regional need, as described in Section III.C.5 below. Notice of the submission period is posted on the WestConnect website and is made via email to WestConnect stakeholders. In addition, it is necessary for merchant transmission developers to provide adequate information and data to allow the PMC to assess the potential reliability and operational impacts of the merchant transmission developer's proposed transmission facilities on other systems in the region. The submission period lasts for no less than thirty (30) days and during this time sponsors of merchant transmission projects that are believed to impact the WestConnect transmission system are asked to provide certain project information.

Projects proposed by Merchant Transmission Developers are subject to the same Reliability Standards as projects submitted by Transmission Owners with Load Serving Obligations. The project developer is responsible for properly registering with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organization and all local, state, regional, and federal requirements.

4. Transmission Owners with Load Serving Obligations

   Transmission Owners that are members of the WestConnect Planning Region are responsible for providing all necessary system information to the Regional Planning Process.

   At the beginning of each regional transmission planning cycle, Transmission Owners that are participating in the Regional Planning Process shall be responsible for verifying the accuracy of any data (including, but not limited to system topology and project proposal information) they have previously submitted. Transmission Owners shall also be required to submit all relevant data for any new projects being proposed for inclusion in the Regional Plan to address an identified regional need in accordance with Section III.C.5 below. Transmission Owners shall also be responsible for submitting any project plans developed through their local transmission planning processes for inclusion in the Regional Plan models.

5. Transmission Project Submittals

   All submittals of transmission projects to address an identified regional need, without regard to whether or not the project seeks regional cost allocation, are to contain the information set forth below, together with the identified deposit for study costs, and be submitted timely within the posted submittal period in order for the project submittal to be eligible for evaluation in the Regional Planning Process. A single project submittal may not seek multiple study requests. To the extent a project proponent seeks to have its project studied under a variety of alternative project assumptions, the individual alternatives must be submitted as individual project submittals. To be eligible to propose a project for selection in the Regional Plan, a project proponent must also be an active member in good standing within one of the five PMC membership sectors:

   - Submitting entity contact information
   - Explanation of how the project is a more efficient or cost-effective solution to regional transmission needs*
   - A detailed project description including, but not limited to, the following:
     - Scope
     - Points of interconnection to existing (or planned) system
     - Operating Voltage and Alternating Current or Direct Current status
     - Circuit configuration (Single, Double, Double-Circuit capable, etc.)
     - Impedance information
     - Approximate circuit mileage

- Description of any special facilities (series capacitors, phase shifting transformers, etc.) required for the project
- Diagram showing geographical location and preferred route; general description of permitting challenges
- Estimated Project Cost and description of basis for that cost*
- Any independent study work of or relevant to the project
- Any WECC study work of or relevant to the project
- Status within the WECC path rating process
- The project in-service date
- Change files to add the project to a standard system power flow model
- Description of plan for post-construction maintenance and operation of the proposed line
- A $25,000 deposit to support the cost of relevant study work, subject to true-up (up or down) based upon the actual cost of the study(ies)*. The true-up will include interest on the difference between the deposit and the actual cost, with such interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations. A description of the costs to which the deposit was applied, how the costs were calculated, and an accounting of the costs will be provided to each project sponsor within 30 calendar days of the completion of the study. Dispute resolution is addressed pursuant to Section VI.
- Comparison Risk Score from WECC Environmental Data Task Force, if available.
- Impacts to other regions. The applicant must provide transmission system impacts studies showing system reliability impacts to neighboring transmission systems or another transmission planning region. The information should identify all costs associated with any required upgrades to mitigate adverse impacts on other transmission systems.

* Merchant transmission developers are exempt from these requirements.

If impact studies and costs are not available at the time of submittal, the project proponent may request that impact studies be performed, at the project proponent's expense, as part of the analysis to determine whether the project is the more efficient or cost-effective solution. Requests for transmission system impact studies are approved through the PMC depending on whether the project proponent provides funding for the analysis. The PMC will provide, subject to appropriate confidentiality and CEII restrictions, the information in the possession of the PMC that an applicant needs to perform

the transmission system impact study and to identify the costs associated with any upgrades required to mitigate adverse impacts.

There is an open submission period for project proposals to address identified regional needs. Notice of the submission period is posted on the WestConnect website and will also be made via email to WestConnect stakeholders. The submission period lasts for no less than thirty (30) days and ends by the fifth (5th) quarter of the WestConnect planning cycle (or first (1st) quarter of the second (2nd) year of the planning cycle). Proposals submitted outside that window will not be considered. The PMC has the authority to determine the completeness of a project submittal. Project submittals deemed incomplete are granted a reasonable opportunity to cure any deficiencies identified in writing by the PMC.

Any stakeholder wishing to present a project submittal to address an identified regional need shall be required to submit the data listed above for the project to be considered in the Regional Planning Process. Should the submitting stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. The PMC retains the sole authority for determining completeness of the information submittal. After the completion of the project submittal period, the PMC posts a document on the WestConnect website detailing why any projects were rejected as incomplete. Upon posting of the document, any project submittal rejected as incomplete is given a reasonable opportunity to cure the reason(s) it was rejected to the satisfaction of the PMC in its sole discretion.

6. Submission of Non-Transmission Alternative Projects

Any stakeholder may submit projects proposing non-transmission alternatives to address an identified regional need for evaluation under the Regional Planning Process. The submission period will last for no less than thirty (30) days. The submission window will end by the fifth (5th) quarter of the WestConnect planning cycle (or first (1st) quarter of the second (2nd) year of the planning cycle). The following criteria must be satisfied in order for a non-trans mission alternative project submittal to be evaluated under the Regional Planning Process:

- Basic description of the project (fuel, size, location, point of contact)
- Operational benefits
- Load offset, if applicable
    - Description of the issue sought to be resolved by the generating facility or non-transmission alternative, including reference to any results of prior technical studies
    - Network model of the project flow study

- Short-circuit data
- Protection data
- Other technical data that might be needed for resources
- Project construction and operating costs
- Additional miscellaneous data (e.g., change files if available)

As with entities submitting a transmission project under Section III.C.5, those who submit under Section III.C.6 a non-transmission alternative under the Regional Planning Process must adhere to and provide the same or equivalent information (and deposit for study costs) as transmission alternatives. Should the submitting stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. Although non-transmission alternative projects will be considered in the Regional Planning Process, they are not eligible for regional cost allocation.

7. The WestConnect Regional Planning Cycle

The WestConnect regional transmission planning cycle is biennial. The WestConnect PMC will develop and publish a Regional Plan every other year.

D Transmission Developer Qualification Criteria

1. In General

A transmission developer that seeks to be eligible to use the regional cost allocation methodology for a transmission project selected in the Regional Plan for purposes of cost allocation must identify its technical and financial capabilities to develop, construct, own, and operate a proposed transmission project. To be clear, satisfaction of the criteria set forth below does not confer upon the transmission developer any right to:

(i) construct, own, and/or operate a transmission project,
(ii) collect the costs associated with the construction, ownership and/or operation of a transmission project,
(iii) provide transmission services on the transmission facilities constructed, owned and/or operated.

The applicable governing governmental authorities are the only entities empowered to confer any such rights to a transmission developer. The PMC is not a governmental authority.

2. Information Submittal

A transmission developer seeking eligibility for potential designation as the entity eligible to use the regional cost allocation for a transmission project selected in the Regional Plan for purposes of cost allocation must submit to the PMC the following information during the first quarter of the WestConnect planning cycle, except that during the first WestConnect planning cycle the PMC shall have the discretion to extend the period for the submission of this information:

a. Overview

A brief history and overview of the applicant demonstrating that the applicant has the capabilities to finance, own, construct, operate and maintain a regional transmission project consistent with Good Utility Practice within the state(s) within the WestConnect Planning Region. The applicant should identify all transmission projects it has constructed, owned, operated and/or maintained, and the states in which such projects are located.

b. Business Practices

A description of the applicant's experience in processes, procedures, and any historical performance related to engineering, constructing, operating and maintaining electric transmission facilities, and managing teams performing such activities. A discussion of the types of resources, including relevant capability and experience (in-house labor, contractors, other transmission providers, etc.) contemplated for the licensing, design, engineering, material and equipment procurement, siting and routing, Right-of-Way (ROW) and land acquisition, construction and project management related to the construction of transmission projects. The applicant should provide information related to any current or previous experience financing, owning, constructing, operating and maintaining and scheduling access to regional transmission facilities.

c. Compliance History

The applicant should provide an explanation of any violation(s) of NERC and/or Regional Entity Reliability Standards and/or other regulatory requirements pertaining to the development, construction, ownership, operation, and/or maintenance of electric transmission facilities by the applicant or any parent, owner, affiliate, or member of the applicant that is an Alternate Qualifying Entity under Section III.A.2.l. Notwithstanding the foregoing, if at the time the applicant submits the information required by this Section III.D.2, the applicant has not developed, constructed, owned, operated or maintained electric transmission facilities, the applicant shall instead submit such information for any electric

distribution or generating facilities it develops, constructs owns, operates and/or maintains, as applicable, to demonstrate its compliance history.

d. Participation in the Regional Planning Process

A discussion of the applicant's participation within the Regional Planning Process or any other planning forums for the identification, analysis, and communication of transmission projects.

e. Project Execution

A discussion of the capability and experience that would enable the applicant to comply with all on-going scheduling, operating, and maintenance activities associated with project development and execution.

f. Right-of-Way Acquisition Ability

The applicant's preexisting procedures and historical practices for siting, permitting, landowner relations, and routing transmission projects including, acquiring ROW and land, and managing ROW and land acquisition for transmission facilities. Any process or procedures that address siting or routing transmission facilities through environmentally sensitive areas and mitigation thereof. If the entity does not have such preexisting procedures, it shall provide a detailed description of its plan for acquiring ROW and land and managing ROW and land acquisition.

g. Financial Health

The applicant must demonstrate creditworthiness and adequate capital resources to finance transmission projects. The applicant shall either have an investment grade credit rating from both S&P and Moody's or provide corporate financial statements for the most recent five years for which they are available. Entities that do not have a credit rating, or entities less than five years old, shall provide corporate financial statements for each year that is available. Alternatively, the applicant may provide a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the PMC.

The following ratios must be provided with any explanations regarding the ratios:

- Funds from operations-to-interest coverage.
- Funds from operation-to-total debt.
- Total debt-to-total capital.

The applicant must indicate the levels of the above ratios the company will maintain during and following construction of the transmission element.
The PMC may request additional information or clarification as necessary.

h. Safety Program

The applicant must demonstrate that it has an adequate internal safety program, contractor safety program, safety performance record and program execution.

i. Transmission Operations

The applicant must: demonstrate that it has the ability to undertake control center operations capabilities, including reservations, scheduling, and outage coordination; demonstrate that it has the ability to obtain required path ratings; provide evidence of its NERC compliance process and compliance history, as applicable; demonstrate any existing required NERC certifications or the ability to obtain any applicable NERC certifications; establish required Total Transfer Capability; provide evidence of storm/outage response and restoration plans;
provide evidence of its record of past reliability performance, as applicable; and provide a statement of which entity will be operating completed transmission facilities and will be responsible for staffing, equipment, and crew training. A potential transmission developer will not be required to have an operations entity under contract at the time it seeks to be eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

j. Transmission Maintenance

The applicant must demonstrate that it has, or has plans to develop, an adequate transmission maintenance program, including staffing and crew training, transmission facility and equipment maintenance, record of past maintenance performance, NERC compliance process and any past history of NERC compliance or plans to develop a NERC compliance program, and provide a statement of which entity will be performing maintenance on completed transmission facilities. A potential transmission developer will not be required to have a maintenance entity under contract at the time it seeks to be eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

k. Regulatory Compliance

The applicant must demonstrate the ability, or plans to develop the ability, to comply with Good Utility Practice, WECC criteria and regional Reliability

Standards, NERC Reliability Standards, construction standards, industry standards, and environmental standards.

l. Affiliation Agreements

A transmission developer can demonstrate that it meets these criteria either on its own or by relying on an entity or entities with whom it has a corporate affiliation or other third parties with relevant experience (Alternate Qualifying Entity(ies)). In lieu of a contractual or affiliate relationship with one or more Alternate Qualifying Entity(ies) and to the extent a transmission developer intends to rely upon third parties for meeting those criteria, the transmission developer must provide in attestation form, an identification of its preferred third-party contractor(s) and indicate when it plans to enter into a definitive agreement with its third-party contractor(s). If the transmission developer seeks to satisfy the criteria in whole or in part by relying on one or more Alternate Qualifying Entity(ies), the transmission developer must submit: (1) materials demonstrating to the PMC's satisfaction that the Alternate Qualifying Entity(ies) meet(s) the criteria for which the transmission developer is relying upon the alternate qualifying entity(ies) to satisfy; and (2) a commitment to provide in any project cost allocation application an executed agreement that contractually obligates the Alternate Qualifying Entity(ies) to perform the function(s) for which the transmission developer is relying upon the Alternate Qualifying Entity(ies) to satisfy.

m. WestConnect Membership

A transmission developer must be a member of either the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector, or must agree to join the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector and agreed to sign the Planning Participation Agreement if the transmission developer seeks to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

n. Other

Any other relevant project development experience that the transmission developer believes may demonstrate its expertise in the above areas.

3. Identification of Transmission Developers Satisfying the Criteria

a. Notification to Transmission Developer

No later than September 30 each year, the PMC notifies each transmission developer whether it has satisfied the stated criteria. A transmission developer failing to satisfy one or more of the qualification criteria is informed of the failure(s) and accorded an additional opportunity to cure any deficiency(ies) within thirty (30) calendar days of notice from the PMC by providing any additional information.

The PMC informs the transmission developer whether the additional information satisfies the qualification criteria within forty-five (45) calendar days of receipt of the additional information.

The PMC identifies the transmission developers that have satisfied the qualification criteria (the "Eligible Transmission Developers") by posting on the WestConnect website, on or before December 31 of each year.

b. Annual Recertification Process and Reporting Requirements

By June 30 of each year, each Eligible Transmission Developer must submit to WestConnect a notarized letter signed by an authorized officer of the Eligible Transmission Developer certifying that the Eligible Transmission Developer continues to meet the current qualification criteria.

The Eligible Transmission Developer shall submit to the PMC an annual certification fee equal to the amount of the WestConnect annual membership fee. If the Eligible Transmission Developer is a member of WestConnect and is current in payment of its annual membership fee, then no certification fee is required.

If at any time there is a change to the information provided in its application, an Eligible Transmission Developer shall be required to inform the PMC chair within thirty (30) calendar days of such change so that the PMC may determine whether the Eligible Transmission Developer continues to satisfy the qualification criteria. Upon notification of any such change, the PMC shall have the option to: (1) determine that the change does not affect the status of the transmission developer as an Eligible Transmission Developer; (2) suspend the transmission developer's eligibility status until any deficiency in the transmission developer's qualifications is cured; (3) allow the transmission developer to maintain its eligibility status for a limited time period, as specified by the PMC, while the transmission developer cures the deficiency; or (4) terminate the transmission developer's eligibility status.

c. Termination of Eligibility Status

The PMC may terminate an Eligible Transmission Developer's status if the Eligible Transmission Developer: (1) fails to submit its annual certification letter; (2) fails to pay the applicable WestConnect membership fees; (3) experiences a change in its qualifications and the PMC determines that it may no longer qualify as an Eligible Transmission Developer; (4) informs the PMC that it no longer desires to be an Eligible Transmission Developer; (5) fails to notify the PMC of a change to the information provided in its application within thirty (30) days of such change; or (6) fails to execute the Planning Participation Agreement as agreed to in the qualification criteria within a reasonable time defined by the PMC, after seeking to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

E. Overview of Regional Planning Methodology and Evaluation Process

The Regional Planning Process is intended to identify regional needs and more efficient or cost-effective solutions to satisfy those needs. Consistent with Order No. 890, qualified projects timely submitted through the Regional Planning Process are evaluated and selected from competing solutions and resources such that all types of resources, as described below, are considered on a comparable basis. The same criteria and evaluation process are applied to competing solutions and/or projects, regardless of type or class of stakeholder proposing them. Where a regional transmission need is identified, the PMC performs studies that seek to meet that need through regional projects, even in the absence of project proposals advanced by stakeholders or projects identified through the WECC process. When the PMC performs a study to meet an identified regional need in circumstances where no stakeholder has submitted a project proposal to meet that regional need, the PMC pursues such studies in a not unduly discriminatory fashion. The study methods employed for PMC-initiated studies are the same types of study methods employed for stakeholder-initiated studies (*see, e.g.*, Section III.F addressing the use of NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects, Section III.G addressing the use of production cost modeling for regional economic projects, and Section III.H addressing the identification of Public Policy Requirements for regional public policy-driven projects).

Solution alternatives are evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to fulfill the identified need practically; (2) ability to meet applicable reliability criteria or NERC Transmission Planning Standards issues; (3) technical, operational and financial feasibility; (4) operational benefits/constraints or issues; (5) cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); (6) where applicable, consistency with Public Policy Requirements or regulatory requirements, including cost recovery through regulated rates; and (7) a project must be determined by the PMC to be a more efficient or cost-effective solution to one or more

regional transmission needs to be eligible for regional cost allocation, as more particularly described below.

The Regional Planning Process provides for an assessment of regional solutions falling in one or more of the following categories:

- Regional reliability solutions
- Regional economic solutions
- Regional transmission needs driven by Public Policy Requirements
- Non-transmission alternatives

LADWP encourages all interested stakeholders to consult the Business Practice Manual for additional details regarding the planning process, timing, and implementation mechanics. A flow chart depicting the Regional Planning Process is attached hereto as Exhibit 1.

All WestConnect Transmission Owners with Load Serving Obligation shall be responsible for submitting their local transmission plans for inclusion in the Regional Plan in accordance with the timeline stated in the Business Practice Manual. Those individual plans are included in the Regional Plan base case system models.

F. WestConnect Reliability Planning Process

Once the base case is established and verified, the PMC performs a regional reliability assessment in which the base case system models are checked for adherence to the relevant NERC or WECC Transmission Planning Reliability Standards, through appropriate studies, including, but not limited to, steady-state power flow, voltage, stability, short circuit, and transient studies as outlined in the Business Practice Manual. If a reliability violation is identified in this power flow process, the violation is referred back to the appropriate Transmission Owner.

The PMC identifies projects to resolve any regional violations that impact more than one Transmission Owner of relevant NERC or WECC Transmission Planning Reliability Standards or WECC criteria. In addition, an opportunity will be afforded to any interested party to propose regional reliability projects that are more efficient or cost-effective than other proposed solutions. The PMC then identifies the more efficient or cost-effective regional transmission project that meets the identified regional transmission need, taking into account factors such as how long the project would take to complete and the timing of the need. Because local Transmission Owners are ultimately responsible for compliance with NERC Reliability Standards and for meeting local needs the local transmission plans will not be modified, however, the PMC may identify more efficient or cost-effective regional transmission projects. The PMC performs the regional reliability assessment and, if necessary, identify a regional need

for transmission projects to resolve any violations that impact more than one Transmission Owner in the fourth quarter of the planning cycle.

G. WestConnect Economic Planning Process

As part of the Regional Planning Process, the PMC analyzes whether there are projects that have the potential to reduce the total delivered cost of energy by alleviating congestion or providing other economic benefits to the WestConnect Planning Region through production cost modeling. This analysis also utilizes WECC Board-approved recommendations to further investigate congestion within the WestConnect Planning Region for congestion relief or economic benefits that has subsequently been validated by WestConnect. Additional projects may also be proposed by WestConnect stakeholders or developed through the stakeholder process for evaluation of economic benefits. Under the Regional Planning Process, the PMC identifies more efficient or cost-effective regional transmission projects, but will not modify local transmission plans.

The WestConnect economic planning process analyzes benefits via detailed production cost simulations. The models employed in the production cost simulations appropriately consider the impact of transmission projects on production cost and system congestion. The WestConnect economic planning process also considers the value of decreased reserve sharing requirements in its development of a plan that is more efficient or cost-effective. As seen in Exhibit 1 of this Attachment K, the PMC develops the production cost modeling analysis in the second (2nd) and third (3rd) quarters of the planning cycle and identify economic transmission projects in the sixth (6th) quarter and parts of the fifth (5th) and seventh (7th) quarters of the planning cycle.

H. WestConnect Public Policy Planning Process

a. Procedures for Identifying Transmission Needs Driven by Public Policy Requirements

It is anticipated that any regional transmission need that is driven by Public Policy Requirements will be addressed initially within the local planning cycles of the individual Transmission Owners in the WestConnect Planning Region through the consideration of local transmission needs driven by a Public Policy Requirement, since a Public Policy Requirement is a requirement that is imposed upon individual Transmission Owners (as opposed to a requirement that is imposed on a geographic region). For those Public Policy Requirements that affect more than one Transmission Owner in the WestConnect Planning Region, a solution identified at the local level to satisfy the local needs of the affected Transmission Owner(s), may also satisfy a regional transmission need identified by the PMC for the WestConnect Planning Region.

WestConnect Transmission Owner members that are planning consistent with Order No. 890 will continue to conduct local transmission planning processes (Section II of this Attachment K), which provide a forum for discussions on local transmission needs driven by Public Policy Requirements. These local processes provide the basis for the individual Transmission Owners' local transmission plans, which are then incorporated into the regional base case at the start of the Regional Planning Process under Order No. 1000.

The PMC provides notice on the WestConnect website of both regional transmission planning meetings convened by the PMC for the WestConnect region, and local transmission planning meetings of the individual Transmission Owners in the WestConnect region.

The PMC begins the evaluation of regional transmission needs driven by Public Policy Requirements by identifying any Public Policy Requirements that are driving local transmission needs of the Transmission Owners in the WestConnect Planning Region, and including them in the transmission system models (the regional base case) underlying the development of the Regional Plan. Then, the PMC seeks the input of stakeholders in the WestConnect region on those Public Policy Requirements in an effort to engage stakeholders in the process of identifying regional transmission needs driven by Public Policy Requirements. The PMC communicates with stakeholders through public postings on the WestConnect website of meeting announcements and discussion forums. In addition, the PMC maintains an email distribution list for those stakeholders who indicate a desire to receive information via electronic list serves.

After allowing for stakeholder input on regional transmission needs driven by Public Policy Requirements and regional solutions to those needs, as part of the Regional Planning Process, the PMC identifies in the Regional Plan those regional transmission needs driven by Public Policy Requirements that were selected by the PMC for evaluation of regional solutions.

In selecting those regional transmission needs driven by Public Policy Requirements that will be evaluated for regional solutions in the current planning cycle, the PMC considers, on a non-discriminatory basis, factors, including but not limited to, the following:

(i) whether the Public Policy Requirement is driving a regional transmission need that can be reasonably identified in the current planning cycle;
(ii) the feasibility of addressing the regional transmission need driven by the Public Policy Requirement in the current planning cycle;
(iii) the factual basis supporting the regional transmission need driven by the Public Policy Requirement; and
(iv) whether a Public Policy Requirement has been identified for which a regional transmission need has not yet materialized, or for which there may exist a regional transmission need but the development of a solution to that need is premature.

No single factor shall necessarily be determinative in selecting among the potential regional transmission needs driven by Public Policy Requirements. The process by which the PMC identifies those regional transmission needs for which a regional transmission solution(s) will be evaluated, out of what may be a larger set of regional transmission needs, utilizes the communication channels it has in place with stakeholders, identified above (open meetings and discussion forums convened by the PMC), through which regional transmission needs driven by Public Policy Requirements may be part of the open dialogue.

b. Procedures for Identifying Solutions to Regional Transmission Needs Driven by Public Policy Requirements

Stakeholders have opportunities to participate in discussions during the Regional Planning Process with respect to the development of solutions to regional transmission needs driven by Public Policy Requirements. Such participation may take the form of attending planning meetings, offering comments for consideration by the PMC on solutions to regional needs driven by Public Policy Requirements, and offering comments on proposals made by other stakeholders or by the PMC. Stakeholders that are members of the WestConnect PMC are performing the function of regional transmission planning and developing regional solutions to identified

regional transmission needs driven by Public Policy Requirements through membership on subcommittees of the PMC.

After allowing for stakeholder input on solutions to regional transmission needs driven by Public Policy Requirements, as part of the Regional Planning Process, the PMC identifies in the Regional Plan those regional transmission solutions driven by Public Policy Requirements that were selected by the PMC and any regional transmission project(s) that more efficiently or cost-effectively meet those needs.

The procedures for identifying and evaluating potential solutions to the identified transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the Regional Planning Process, whether or not submitted for purposes of cost allocation.

The PMC performs a Public Policy Requirements analysis to help identify if a transmission solution is necessary to meet an enacted public policy. For a transmission need driven by Public Policy Requirements, the PMC identifies whether a more efficient or cost-effective regional transmission solution exists based upon several different considerations, including consideration of whether the project is necessary and capable of meeting transmission needs driven by Public Policy Requirements, while also:

(i) Efficiently resolving any criteria violations identified by studies pursuant to any relevant NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects or WECC Transmission Planning Reliability Standards or WECC criteria, as applicable, that could impact more than one Transmission Owner as a result of a Public Policy Requirement or,

(ii) Producing economic benefits shown through detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost, system congestion and the value of decreased reserve sharing requirements.

The PMC develops the public policy analysis in the sixth (6th) quarter and parts of the fifth (5th) and seventh (7th) quarters of the planning cycle.

c. Proposed Public Policy

A public policy that is proposed, but not required (because it is not yet enacted or promulgated by the applicable governmental authority) may be considered through

Section III.G (WestConnect Economic Planning Process) of this Attachment K, if time and resources permit.

d. Posting of Public Policy Needs

WestConnect maintains on its website (i) a list of all transmission needs identified that are driven by Public Policy Requirements and that are included in the studies for the current regional transmission planning cycle; and (ii) an explanation of why other suggested transmission needs driven by Public Policy Requirements will not be evaluated.

I. Consideration of Non-Transmission Alternatives

Non-transmission alternatives submitted in accordance with Section III.C above are evaluated to determine if they will provide a more efficient or cost-effective solution to an identified regional transmission need. Non-transmission alternatives include, without limitation, technologies that defer or possibly eliminate the need for new and/or upgraded transmission lines, such as distributed generation resources, demand-side management (load management, such as energy efficiency and demand response programs), energy storage facilities and smart grid equipment that can help eliminate or mitigate a grid reliability problem, reduce uneconomic grid congestion, and/or help to meet grid needs driven by Public Policy Requirements. Non-transmission alternatives are not eligible for regional cost allocation.

J. Approval of the WestConnect Regional Plan

The Cost Allocation Subcommittee submits, for review and comment, the results of its project benefit/cost analysis and beneficiary determination to the PMC Chair and to the identified beneficiaries of the transmission projects proposed for cost allocation. The PMC shall make available to its Members sufficient information to allow for a reasonable opportunity to comment on the proposed selection. The PMC shall not make a determination on the project benefit/cost analysis and beneficiary determination until it has reviewed all comments. Upon approval of the PMC, the project benefit/cost analysis and beneficiary identifications shall be posted by the PMC on the WestConnect website.

1. CTO Acceptance of Cost Allocation

Each Coordinating Transmission Owner (CTO) beneficiary will indicate whether it accepts the cost allocation for the project, as follows:

a. A CTO Member, in its sole discretion, may elect to accept a cost allocation for each separate transmission facility for which it is identified as a beneficiary, but

only if it notifies the Chair of the PMC in writing of its decision to accept any such cost allocation within sixty (60) calendar days after the benefit/cost analysis is posted by the PMC under this Section III.J; provided, however, that the PMC has the discretion to extend the 60-day period when additional time is necessary for an identified beneficiary to complete its internal review and deliberation process before deciding to accept the cost allocation.

b. A CTO Member giving notice that it elects to accept a cost allocation for a transmission facility may rescind that notice at any time prior to the end of the sixty (60) day period, or such extended period established in this Section III.J.1.

c. A CTO Member that does not accept a cost allocation for a transmission facility will not be subject to cost allocation for that transmission facility.

The information made available under this Section III.J will be electronically masked and made available pursuant to a process that the PMC reasonably determines is necessary to prevent the disclosure of confidential information or CEII contained in the information.

2. Recalculation of Benefits and Costs for Reliability Projects

The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission need(s) which was included within the identification of the region's transmission needs under Sections IV.F through IV.H (for which the regional project would have avoided an alternative reliability project in such CTO's local transmission plan) will be removed as a regional transmission need for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan for purposes of cost allocation.

3. Recalculation of Benefits and Costs for Public Policy Requirements Projects

The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission need(s) which was included within the identification of the region's transmission needs under Sections III.F through III.H (for which the regional project would have avoided an alternative Public Policy Requirements project in such CTO's local transmission plan) will be removed as a regional transmission need for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan

for purposes of cost allocation. This shall include any such CTO's resource needs necessary to comply with Public Policy Requirements.

4. Recalculation of Benefits and Costs for Economic Projects

   The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission benefits which were included within the identification of the regional project's economic benefits under Sections III.F through III.H will be removed as a regional transmission benefit for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan for purposes of cost allocation. This shall include the value of any economic benefits determined through the regional transmission plan to accrue to such CTO.

5. Resultant Increase in Beneficiary Cost Allocation

   Any regional transmission project that continues to meet the region's benefit/cost and other criteria for regional cost allocation will remain eligible for selection in the Regional Plan for purposes of cost allocation.

6. Approval of the WestConnect Regional Transmission Plan

   Upon completion of the process outlined above, the PMC will vote on whether to accept the proposed plan. The Regional Plan will document why projects were either included or not included in the Regional Plan. In addition, the Regional Plan describes the manner in which the applicable regional cost allocation methodology was applied to each project selected in the Regional Plan for purposes of regional cost allocation. Projects that meet system needs are incorporated into the Regional Plan. Participant funded projects and other types of projects may be included in the Regional Plan; however, those projects are not eligible for regional cost allocation.

K. Reevaluation of the WestConnect Regional Plan

The PMC is the governing body responsible for deciding whether to reevaluate the Regional Plan to determine if the conditions, facts and/or circumstances relied upon in initially selecting a transmission project for inclusion in the Regional Plan for purposes of cost allocation have changed and, as a result, require reevaluation. Reevaluation will begin within the second planning cycle following Effective Date, which is the effective date of the Planning Participation Agreement. The Regional Plan and any project selected for cost allocation in the Regional Plan, including any local or single-system transmission projects or planned transmission system upgrades to existing facilities selected for

purposes of cost allocation, shall be subject to reevaluation in each subsequent planning cycle according to the criteria below. Upon reevaluation, the Regional Plan and any projects selected for purposes of cost allocation in connection therewith may be subject to modification, including the status as a project selected for cost allocation, with any costs reallocated under Section VII as if it were a new project. Only the PMC has the authority to modify the status of a transmission project selected for cost allocation. Conditions that trigger reevaluation are:

1. The underlying project characteristics and/or regional or interregional needs change in the Regional Plan. Examples include, but are not limited to: (a) a project's failure to secure a developer, or a developer's failure to maintain the qualifications necessary to utilize regional cost allocation, or (b) a change (increase or decrease) in the identified beneficiaries of a project (which changes may occur through company acquisitions, dissolutions, or otherwise), (c) a change in the status of a large load that contributes to the need for a project, or (d) projects affected by a change in law or regulation;

2. Projects that are delayed and fail to meet their submitted in-service date by more than two (2) years. This includes projects delayed by funding, regulatory approval, contractual administration, legal proceedings (including arbitration), construction delays, or other delays;

3. Projects with significant project changes, including, but not limited to kilovolt (kV), megavolt ampere (MVA), or path rating, number of circuits, number of transmission elements, or interconnection locations; and

4. Projects with a change in the calculation of benefits or benefit/cost (B/C) ratio that may affect whether the project selected for inclusion in the Regional Plan for purposes of cost allocation is a more efficient or cost-effective regional solution.

    a. Example 1: Where an increase in the selected project's costs, including but not limited to, material, labor, environmental mitigation, land acquisition, operations and maintenance, and mitigation for identified transmission system and region, causes the total project costs to increase above the level upon which the project was initially selected for inclusion in the Regional Plan for purposes of cost allocation, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient or cost-effective solution under current cost information.

    b. Example 2: A selected project's benefits may include identification of a reliability benefit in the form of remedying a violation of a Reliability Standard. If the identified beneficiary implements improvements, such as a Remedial Action

Scheme, to achieve reliability in compliance with the Reliability Standard at issue, inclusion of the regional project in the regional plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient or cost-effective solution under current benefit information.

c. Example 3: Where a project's estimated benefits include benefits in the form of avoided costs (e.g., a regional project's ability to avoid a local project), and the project is not avoided, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient or cost-effective solution under current facts and circumstances.

Projects selected for purposes of cost allocation will continue to be reevaluated until all the following conditions have been met:

- State and federal approval processes completed and approved (including cost recovery approval under Section 205 of the Federal Power Act as applicable);
- All local, state, and federal siting permits have been approved; and
- Major construction contracts have been issued.

When the Regional Plan is reevaluated as a result of any of the conditions triggering reevaluation addressed above, the PMC determines if an evaluation of alternative transmission solutions is needed in order to meet an identified regional need. In doing so, the PMC uses the same processes and procedures it used in the identification of the original transmission solution to the regional need. If an alternative transmission solution is needed, the incumbent Transmission Owner may propose one or more solutions that it would implement within its retail distribution service territory or footprint, and if such proposed solution is a transmission facility, the Transmission Owner may submit the project for possible selection in the Regional Plan for purposes of cost allocation.

Projects not subject to reevaluation include, but are not limited to, the following:

- Local or single system transmission projects that have been identified in individual Transmission Owner's Transmission Planning (TPL) Reliability Standards compliance assessments to mitigate reliability issues and that have not been proposed for (and selected by the PMC for) regional cost allocation; and
- Planned transmission system upgrades to existing facilities that have not been proposed for (and selected by the PMC for) regional cost allocation.

  Projects meeting any of the following criteria as of Effective Date will also not be subject to reevaluation under the Regional Planning Process:

- Projects of Transmission Owners who have signed the Planning Participation Agreement and that have received approval through local or state regulatory authorities or board approval;
- Local or single system transmission projects that have been planned and submitted for inclusion in the Regional Plan or exist in the 10-year corporate capital project budgets; and
- Projects that are undergoing review through the WECC Project Coordination and Rating Review Process as of Effective Date.

L. Confidential or Proprietary Information

Although the Regional Planning Process is open to all stakeholders, Stakeholders are required to comply at all times with certain applicable confidentiality measures necessary to protect confidential information, proprietary information or CEII. From time to time the regional transmission planning studies and/or open stakeholder meetings may include access to base case data that are WECC proprietary data, information classified as CEII, or other similar confidential or proprietary information. In such cases, access to such confidential or proprietary information shall be limited to only those stakeholders that (i) hold membership in or execute a non-disclosure agreement (NDA) with WECC (See www.wecc.biz) or (ii) execute a non-disclosure agreement with the applicable WestConnect Planning Region members, as may be applicable.

Any entity wishing to access confidential information, subject to applicable Standards of Conduct requirements, discussed in the Regional Planning Process must execute an NDA, and submit it to mailto:NDA@westconnect.com. A link to the NDA has been provided http://clkrep.lacity.org/onlinedocs/2016/16-0098_misc_5_01-25-2016.pdf.

IV. Coordination at the Western Interconnection Level

LADWP will coordinate its transmission plan on a west-wide regional basis through SWAT and WestConnect. WestConnect will coordinate its regional transmission plan with the other regional plans in the Western Interconnection and at the WECC level.

A. Procedures for Inter-Regional Planning Project Review

1. WECC Coordination of Reliability Planning

    a. WECC develops the Western Interconnection-wide base cases for transmission planning analysis such as power flow, stability and dynamic voltage stability studies. The WECC-approved base cases are used for study purposes by

transmission planners, subregional transmission planning groups, and other entities that have signed non-disclosure agreements with WECC.

b. WECC also maintains a data base for reporting the status of all planned projects throughout the Western Interconnection.
c. WECC provides for coordination of planned projects through its Procedures for Regional Planning project review.
d. WECC's path rating process ensures that a new project will have no adverse effect on existing projects or facilities.

2. WECC Open Stakeholder Meetings

Western Interconnection-wide economic planning studies are conducted by the WECC in an open stakeholder process that holds region-wide stakeholder meetings on a regular basis. The WECC Transmission Planning Protocol, including the WECC procedures for prioritizing and completing regional economic studies, is posted on the WECC website. LADWP participates in the region-wide transmission planning process, as appropriate, to ensure that data and assumptions are coordinated.

3. Role of WECC

WECC provides two primary functions in relation to the LADWP transmission planning process.

a. Development and maintenance of the west-wide economic planning study database.

    i. WECC uses publicly available data to compile a database that can be used by a number of economic congestion study tools.
    ii. WECC's database is publicly available for use in running economic congestion studies. For an interested transmission customer or stakeholder to utilize WECC's Pro-Mod planning model, it must comply with WECC confidentiality requirements.

b. Performance of economic planning studies. WECC has an annual study cycle, described in the WECC Transmission Planning Protocol, during which it will update databases, develop and approve a study plan that includes studying Requesters' high priority economic study requests as determined by the open WECC stakeholder process, perform the approved studies and document the results in a report.
c. Identification of Congested Paths for WestConnect Economic Review. Through TEPPC's economic study process, congested paths may be reviewed

and identified as being candidates for economic transmission studies. Upon WECC Board approval of a designation for such a path, the WestConnect Regional Planning Process will review the path for potential economic transmission solutions.

V. Recovery of Planning Costs

LADWP's costs associated with the Transmission Provider's implementation of this Attachment K, including its share of costs associated with WestConnect, shall be recovered through LADWP's transmission rates. The costs for any regional economic planning study shall be paid for by the Requester of the study. Any costs incurred by any stakeholder for participation in the planning processes set forth in this Attachment K shall be borne by the stakeholder.

VI. Dispute Resolution

Any dispute between a stakeholder and LADWP ("Disputant or Disputants") involving Attachment K shall be conducted in accordance with the Dispute Resolution Process in Section 12 of LADWP's Open Access Transmission Tariff ("OATT").

Disputes Between PMC Members

For disputes between members of the PMC, the following dispute resolution procedures apply:

1. Initiating Dispute Resolution

The disputing PMC member(s) initiates its dispute by providing written notification to the PMC (or a designated sub-committee of the PMC) in accordance with the provisions of the Planning Participation Agreement, in which event the PMC will seek to resolve the dispute through discussion, negotiation and the development of a recommended course of action. The PMC may act to adopt a resolution recommended by its own committee members or sub-committees, or alternatively the disputing parties may act to refer the dispute to arbitration for resolution.

2. Arbitration

A dispute may be referred to arbitration under the governing provisions of the Planning Participation Agreement.

VII. Cost Allocation

A. Allocation of Costs for Local Projects

LADWP will utilize a case-by-case approach to allocate costs for new transmission projects. This approach will be based on the following principles:

1. Solicitation of Interest

LADWP may elect to conduct a solicitation of interest for certain projects. Upon a determination by LADWP to hold solicitation of interest for a transmission project, LADWP will:

a. Announce and solicit interest in the project through informational meetings, its website and/or other meant of dissemination as appropriate.
b. Hold meetings with interested parties and meetings with public utility staffs from potential affected areas.
c. Post information via WECC's planning project review reports.
d. Develop the initial transmission project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments form participants for final cost shares; and secure execution of construction and operating agreements.

2. Allocation of Costs

a. Proportional Allocation
For any project entered into pursuant to a solicitation process; project costs and associated transmission rights will generally be allocated proportionally to project participants subject to a negotiated participation agreement. In the event the process results in a single participant, the full cost and transmission rights will be allocated to that participant.
b. Economic Benefits or Congestion Relief
For any project not wholly within LADWP's local system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester.
c. LADWP's Rate Recovery
Notwithstanding the foregoing provisions, LADWP will not assume cost responsibility for any project if the cost of the project is not approved for recovery in its retail and/or wholesale rates.

4. Exclusions

The cost for projects undertaken in connection with requests for generator interconnection or transmission service in LADWP's systems are governed by the OATT and will not be subject to the provisions of this Attachment K

B. Allocation of Costs for Regional Transmission Planning Projects

For any project determined by the PMC to be eligible for regional cost allocation, project costs will be allocated proportionally to those entities determined by the PMC, as shown in the Regional Plan, to be beneficiaries in the WestConnect Planning Region, as identified in this Attachment K, subject to the processes set forth in Sections II through IV.

The PMC, with input from the CAS, determines whether a project is eligible for regional cost allocation, and assesses the project's costs against its benefits in accordance with the following factors:

- Benefits and beneficiaries will be identified before cost allocation methods are applied.
- Cost assignments shall be commensurate with estimated benefits.
- Those that receive no benefits must not be involuntarily assigned costs.
- A benefit-to-cost ("B/C") threshold of not more than 1.25 shall be used, as applicable, so that projects with significant benefits are not excluded.
- Costs must be allocated solely within the WestConnect Planning Region, unless other regions or entities voluntarily assume costs.
- Costs for upgrades on neighboring transmission systems or other planning regions that are (i) required to be mitigated by the WECC Path Rating process, FERC tariff requirements, or NERC Reliability Standards, or (ii) negotiated among interconnected parties will be included in the total project costs and used in the calculation of B/C ratios.
- Cost allocation method and data shall be transparent and with adequate documentation.
- Different cost allocation methods may be used for different types of projects.

Specifically, the PMC will consider the following projects eligible for cost allocation consideration as further described below based on specified criteria:

- Reliability projects;
- Economic or congestion relief projects; or
- Public policy projects.

Only projects that fall within one or more of these three categories and satisfy the cost-to-benefit analyses and other requirements, as specified herein, are eligible for cost allocation

in the WestConnect Planning Region. LADWP encourages all interested stakeholders to consult the Business Practice Manual for additional details regarding the assessment for eligibility for regional cost allocation. Summary provisions are provided below.[3]

1. Allocation of Costs for Reliability Projects

In order to allocate costs to Transmission Owners for system reliability improvements that are necessary for their systems to meet the NERC TPL standards, the WestConnect cost allocation procedure shall allocate costs for system reliability improvements only when a system improvement is required to comply with the NERC TPL Reliability Standards during the planning horizon.

All components of a Transmission Owner's local transmission plan shall be included in the Regional Plan and shall be considered Local Transmission Projects that are not eligible for regional cost allocation. A system performance analysis shall be performed on the collective plans to ensure the combined plans adhere to all relevant NERC TPL Reliability Standards and stakeholders shall be afforded an opportunity to propose projects that are more efficient or cost-effective than components of multiple Transmission Owner local plans as outlined in Section II.F, above.

Should a reliability issue be identified in the review of the included local transmission plan, the project necessary to address that reliability issue shall be included in the Regional Plan and the cost shall be shared by the utilities whose load contributed to the need for the project.

Should multiple utilities have separate reliability issues that are addressed more efficiently or cost-effectively by a single regional project, that regional project shall be approved for selection in the Regional Plan and the cost shall be shared by those Transmission Owners in proportion to the cost of alternatives that could be pursued by the individual Transmission Owners to resolve the reliability issue. The ultimate responsibility for maintaining system reliability and compliance with NERC Transmission Planning Standards rests with each Transmission Owner.

The costs for regional reliability projects shall be allocated according to the following equation:

(1 divided by 2) times 3 equals 4

Where:

[3] References to "Transmission Owners" in the cost allocation provisions are to transmission owners for which the WestConnect Planning Management Committee is performing the function of regional transmission planning. At present, those Transmission Owners are TOLSO members.

1 is the cost of local reliability upgrades necessary to avoid construction of the regional reliability project in the relevant Transmission Owner's retail distribution service territory or footprint

2 is the total cost of local reliability upgrades in the combination of Transmission Owners' retail distribution service territories or footprints necessary to avoid construction of the regional reliability project

3 is the total cost of the regional reliability project

4 is the total cost allocated to the relevant Transmission Owner's retail distribution service territory or footprint

The manner in which the PMC applied this methodology to allocate the costs of each regional reliability project shall be described in the Regional Plan.

2. Allocation of Costs for Economic Projects

Cost allocation for economic projects associated with congestion relief that provide for more economic operation of the system will be based on the calculation of economic benefits that each Transmission Owner system will receive. Cost allocation for economic projects shall include scenario analyses to ensure that benefits will actually be received by beneficiaries with relative certainty. Projects for which benefits and beneficiaries are highly uncertain and vary beyond reasonable parameters based on assumptions about future conditions will not be selected for cost allocation.

In order for a project to be considered economically-justified and receive cost allocation associated with economic projects, the project must have a B/C ratio that is greater than 1.0 under each reasonable scenario evaluated and have an average ratio of at least 1.25 under all reasonable scenarios evaluated. Costs will be allocated on the basis of the average of all scenarios evaluated. The B/C ratio shall be calculated by the PMC. This B/C ratio shall be determined by calculating the aggregate load-weighted benefit-to-cost ratio for each transmission system in the WestConnect Planning Region. The benefits methodology laid out below ensures that the entities that benefit the most from the completion of an economic project are allocated costs commensurate with those project benefits.

The cost of any project that has an aggregate 1.25 B/C ratio or greater will be divided among the Transmission Owners that show a benefit based on the amount of benefits calculated to each respective Transmission Owner. For example, if a $100 million-dollar project is shown to have $150 million in economic benefit, the entities for which the economic benefit is incurred will be determined. The cost of the project will then be allocated to those entities, based on the extent of each entity's economic benefits relative to the total project benefits. This will ensure that each entity that is allocated cost has a B/C ratio equal to the total project B/C ratio. For example:

- Project with $150 million in economic benefit and $100 million in cost
  - Company 1 has $90 million in benefits; Company 2 has $60 million in benefits
  - Company 1 allocation: 90/150 (100) = $60 million
  - Company 1 B/C ratio: 90/60 = 1.5
  - Company 2 allocation: 60/150 (100) = $40 million
  - Company 2 B/C ratio: 60/40 = 1.5

Other than through the reevaluation process described in Section III.J of this Attachment K, the benefits and costs used in the evaluation shall only be calculated during the planning period and shall be compared on a net present value basis.

The WestConnect economic planning process shall consider production cost savings and reduction in reserve sharing requirements as economic benefits capable of contributing to the determination that a project is economically justified for cost allocation. Production cost savings are determined by the PMC performing a product cost simulation to model the impact of the transmission project on production costs and congestion. Production cost savings will be calculated as the reduction in production costs between a production cost simulation with the project included compared to a simulation without the project. Reductions in reserve sharing requirements are determined by the PMC identifying a transmission project's impact on the reserve requirements of individual transmission systems, and not on the basis of the project's collective impact on a reserve sharing group, as a whole. The production cost models appropriately consider the hurdle rates between transmission systems. The following production cost principles may be applied:

- The production cost savings from a project must be present in each year from the project in-service date and extending out at least ten (10) years.
- Cost savings must be expressed in present-value dollars and should consider the impact of various fuel cost forecasts.
- The production cost study must account for contracts and agreements related to the use of the transmission system (this refers to paths in systems that might be contractually limited but not reliability limited).
- The production cost study must account for contracts and agreements related to the access and use of generation (this refers to generators that might only use spot purchases for fuel rather than firm purchases, or generation that has been designated as network resources for some entities and thus cannot be accessed at will by non-owners).

Access by stakeholders to the PMC's application of its regional cost allocation method for a specific economic transmission project is available in several ways: First, stakeholders that are members of the PMC will have firsthand knowledge of the way in which the regional method was applied to a particular project because the PMC is responsible for performing

the application of the regional cost allocation method. Second, stakeholders that choose not to become members of the PMC may access such information through the WestConnect regional stakeholder process. See Section III.B of this Attachment K. Third, the manner in which the PMC applied this methodology to allocate the costs of each economic project shall be described in the Regional Plan.

In determining which entities shall be allocated costs for economic projects, WestConnect shall compare the economic value of benefits received by an entity with the cost of the project to ensure that each entity allocated cost receives a benefit/cost ratio equal to the aggregate load-weighted benefit-to-cost ratio. These costs allocated to each company shall be calculated based on the following equation:

(1 divided by 2) times 3 equals 4

Where:

1 is the total projected present value of economic benefits for the relevant Transmission Owner

2 is the total projected present value of economic benefits for the entire project

3 is the total cost of the economic project

4 is the total cost allocated to the relevant Transmission Owner

Any Transmission Owner with benefits less than or equal to one percent of total project benefits shall be excluded from cost allocation. Where a project satisfies the B/C ratio, and is determined to provide benefits less than or equal to one percent of total project benefits to an identified Transmission Owner, such benefits will be re-allocated to all other identified beneficiaries on a pro rata basis, in relation to each entity's share of total project benefits.

3. Allocation of Costs for Public Policy Projects

Any transmission system additions that arise from Public Policy Requirements shall be included in the system models used for the WestConnect transmission system studies. Further, any additional system needs that arise from proposed public policy shall be reported by each entity for its own service territory. Decisions on the inclusion of those needs shall be made during the consideration and approval of the system models. Transmission needs driven by Public Policy Requirements will be included in the evaluation of reliability and economic projects.

Except for projects proposed through a Transmission Owner's local planning process, arising out of a local need for transmission infrastructure to satisfy Public Policy Requirements that are not submitted as projects proposed for cost allocation (which are

addressed in Section II of this Attachment K), any projects arising out of a regional need for transmission infrastructure to satisfy the Public Policy Requirements shall be considered public policy projects eligible for evaluation in the Regional Planning Process.

Stakeholders may participate in identifying regional transmission needs driven by Public Policy Requirements. After seeking the input of stakeholders pursuant to the stakeholder participation provisions of Section III, the PMC determines whether to move forward with the identification of a regional solution to a particular regional need driven by Public Policy Requirements. Stakeholders may participate in identifying a regional solution to a regional need driven by Public Policy Requirements pursuant to the stakeholoder participation provisions of Section III, or through membership on the PMC itself. After seeking the input of stakeholders, the PMC determines whether to select a particular regional solution in the regional transmission plan for purposes of cost allocation. The identification of beneficiaries of these projects shall be the entities that shall access the resources enabled by the project in order to meet their Public Policy Requirements.

If an entity accesses resources that were enabled by a prior public policy project, that entity shall need to either share in its relative share of the costs of that public policy project or acquire sufficient transmission service rights to move the resources to its load with the determination left up to the entity or entities that were originally allocated the cost for the public policy project. The costs for public policy projects shall be allocated according to the following equation:

(1 divided by 2) times 3 equals 4

Where:

1 is the number of megawatts of public policy resources enabled by the public policy project for the entity in question

2 is the total number of megawatts of public policy resources enabled by the public policy project

3 is the total project cost

4 is the cost for the public policy project allocated to the entity in question

The process to interconnect individual generation resources would be provided for under the generator interconnection section each utility's OATT and not under this process.

Requests for transmission service that originate in a member's system and terminate at the border shall be handled through that member's OATT. Regional transmission needs necessary to meet Public Policy Requirements shall be addressed through the Public Policy Requirements section of the Regional Planning Process.

The manner in which WestConnect applied this methodology to each public policy project shall be described in the Regional Transmission Plan.

4. Combination of Benefits

In developing a more efficient or cost-effective plan, it is possible for the plan to jointly consider multiple types of benefits when approving projects for inclusion in the Regional Plan. The determination to consider multiple types of benefits for a particular project shall be made through the WestConnect stakeholder process, in which interested stakeholders are given an opportunity to provide input as set forth in Section III of this Attachment K. In determining whether a project would provide multiple benefits, the PMC categorizes the benefits as (a) necessary to meet NERC Transmission Planning Reliability Standards (reliability); (b) achieving production cost savings or a reduction in reserve sharing requirements (economic); or (c) necessary to meet transmission needs driven by Public Policy Requirements, as applicable, using the methods set forth in this Attachment K. The PMC will identify all three categories of benefits in its regional cost allocation process. If a project cannot pass the cost allocation threshold for any one of the three benefit categories, alone (reliability, economic or public policy), the sum of benefits from each benefit category may be considered.

- With respect to a reliability-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater, by a margin of 1.25 to 1, than the result of the equation identified in Section VII.C.1 above (where the result is shown as item 4 in the formula).

- With respect to an economic-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater than the project's cost to each beneficiary under each reasonable scenario evaluated, and must yield an average ratio of at least 1.25 to 1 under all reasonable scenarios evaluated, as described in Section VII.C.2 above.

- With respect to a Public Policy Requirements-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater, by a margin of 1.25 to 1, than the result of the equation identified in Section VII.C.3 above (where the result is shown as item 4 in the formula).

If a single regional transmission project is determined to provide benefits in more than one category, but does not meet the cost-benefit threshold for any single category, the PMC may consider the sum of benefits from each benefit category to determine if the regional transmission project provides, in total, benefits per beneficiary that meet or exceed the region's 1.25 to 1 benefit to cost ratio. To illustrate, consider the following example where a regional project developed to provide public policy requirement benefits might also provide for economic benefits to the same beneficiaries:

A regional project submittal has undergone analysis for its quantifiable benefits and costs and is determined to cost $100 million and produce benefits to identified beneficiaries in two categories: economic benefits of $101 million (on average, under all economic scenarios quantified), and public policy requirement benefits of $70 million. The project is found to fail the cost-benefit threshold for each category, individually, but when the total benefits are combined and the project's total regional benefits per beneficiary are weighed against the project's total costs per beneficiary, the project can be found to meet or surpass the region's 1.25 to 1 benefit to cost ratio per beneficiary:

- The benefits to Beneficiary A of pursuing the regional solution (60% of the regional project's total $171 million in benefits) = $102.6 million. When $102.6 million in project benefits is compared against $60 million in project costs (60% of project costs), it yields a B/C ratio of 1.71 to 1 for Beneficiary A.

- The benefits to Beneficiary B of pursuing the regional solution (40% of the regional project's total $171 million in benefits) = $68.4 million. When $68.4 million in project benefits is compared against $40 million in project costs (40% of project costs), it yields a B/C ratio of 1.71 to 1 for Beneficiary B.

Even though the regional project does not pass the cost allocation threshold in any individual benefit category, the PMC may consider the sum of the project's benefits in all categories.

For those regional projects that satisfy the region's cost allocation threshold, the PMC then will continue its evaluation process by considering whether the regional project meets the region's identified reliability, economic and Public Policy Requirements-driven needs more efficiently or cost-effectively than solutions identified by individual transmission providers in their local transmission planning processes.

The costs for projects that rely upon multiple types of benefits to secure inclusion in the Regional Plan for purposes of cost allocation shall be shared according to the amount of cost that is justified by each type of benefit.

5. Allocation of Ownership and Capacity Rights

An Eligible Transmission Developer that is subject to the Commission's jurisdiction under Section 205 of the Federal Power Act may not recover project costs from identified beneficiaries in the WestConnect Planning Region without securing approval for project cost recovery from FERC through a separate proceeding brought by the Eligible Transmission Developer under Section 205 of the Federal Power Act. In no event will

identified beneficiaries in the WestConnect Planning Region from whom project costs are sought to be recovered under Section 205 be denied either transmission transfer capability or ownership rights proportionate to their allocated costs, as determined by FERC in such proceeding. An Eligible Transmission Developer that is not subject to the Commission's jurisdiction under Section 205 of the Federal Power Act would have to seek cost recovery from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from FERC for project cost recovery pursuant to any other applicable section of the Federal Power Act.

If a project beneficiary receives transmission transfer capability on the project in exchange for transmission service payments, such project beneficiary may resell the transfer capability. Alternatively, a project beneficiary could seek to make a direct capital contribution to the project construction cost (in lieu of making transmission service payments) in which case the project beneficiary would instead receive an ownership percentage in proportion to their capital contribution ("Ownership Proposal"). This Ownership Proposal does not create a right of first refusal for transmission beneficiaries.

An ownership alternative will only be pursued if the Eligible Transmission Developer agrees. The Eligible Transmission Developer and the beneficiaries will enter into contract negotiations to address the many details regarding the capital funding mechanics and timing, as well as other details, such as defining (as between the Eligible Transmission Developer, whether a non-incumbent or incumbent transmission developer, and those receiving ownership interests) responsibility for operations and maintenance, administrative tasks, compliance with governing laws and regulations, etc. These negotiations will take place at arm's length, without any one party having undue leverage over the other.

A transmission project beneficiary should not be expected to pay for its benefits from the project twice: once through a capital contribution, and again through transmission service payments. The Ownership Proposal permits an ownership share in a project that is in the same proportion to a beneficiary's allocable costs, which costs will have been allocated roughly commensurate with the benefits to be gained from the project. This will allow the beneficiary to earn a return on its investment. In addition, it allows those beneficiaries that may not necessarily benefit from additional transfer capability on a new transmission project, whether due to lack of contiguity to the new facilities or otherwise, to realize the benefits through an ownership option.

Any transmission project participant that is identified as a beneficiary of the project might be permitted by the Eligible Transmission Developer to contribute capital (in lieu of transmission service payments) and receive a proportionate share of ownership rights in the transmission project. The Ownership Proposal affords an identified beneficiary who contributes toward the project costs the opportunity to obtain an ownership interest in lieu

of an allocated share of the project costs through transmission service payments for transfer capability on the project; it does not, however, confer a right to invest capital in a project. The Ownership Proposal merely identifies that, to the extent it is agreed among the parties that capital may be contributed toward a transmission project's construction, a proportionate share of ownership rights will follow.

Nothing in this Attachment K with respect to Order No. 1000 cost allocation imposes any new service on beneficiaries. Similarly, nothing in this Attachment K with respect to Order No. 1000 cost allocation imposes on an Eligible Transmission Developer an obligation to become a provider of transmission services to identified beneficiaries simply as a result of a project's having been selected in the Regional Plan for purposes of cost allocation; provided, however, if that Eligible Transmission Developer seeks authorization to provide transmission services to beneficiaries or others, and to charge rates or otherwise recover costs from beneficiaries or others associated with any transmission services it were to propose, it must do so by contract and/or under separate proceedings under the Federal Power Act. The purpose of this Section VII.C.5 is to (a) provide an option to a project developer to negotiate ownership rights in the project with identified beneficiaries, if both the developer and the identified beneficiaries mutually desire to do so, (b) specify that, although Order No. 1000 cost allocation does not impose any new service on beneficiaries, identified beneficiaries have the opportunity to discuss with the project developer the potential for entering into transmission service agreements for transmission capacity rights in the project, and (c) ensure that Order No. 1000 cost allocation does not mean that a project developer may recover project costs from identified beneficiaries without providing transmission transfer capability or ownership rights, and without securing approval for project cost recovery by contract and/or under a separate proceeding under the Federal Power Act.

If an Eligible Transmission Developer is not subject to FERC's jurisdiction under section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from FERC for project cost recovery pursuant to any other applicable section of the Federal Power Act.

6. Project Development Schedule

The WestConnect PMC will not be responsible for managing the development of any project selected for inclusion in the Regional Plan. However, after having selected a project in the Regional Plan, the PMC will monitor the status of the project's development. If a transmission facility is selected for inclusion in the Regional Plan for purposes of cost allocation, the transmission developer of that transmission facility must submit a development schedule that indicates the required steps, such as the granting of state approvals, necessary to develop and construct the transmission facility such that it meets

the regional transmission needs of the WestConnect Planning Region. As part of the ongoing monitoring of the status of the transmission project once it is selected, the Transmission Owners and Providers in the WestConnect Planning Region shall establish the dates by which the required steps to construct must be achieved that are tied to when construction must begin to timely meet the need that the project is selected to address. If such required steps have not been achieved by those dates, then the Transmission Owners and Providers in the WestConnect Planning Region may remove the transmission project from the selected category and proceed with reevaluating the Regional Plan to seek an alternative solution.

7. Economic Benefits or Congestion Relief

For a transmission project wholly within the Transmission Provider's local transmission system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester. A "Requester" is defined as any LADWP transmission customer or other stakeholder, including sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources.

8. LADWP Rate Recovery

Notwithstanding the foregoing provisions, LADWP will not assume cost responsibility for any project if the cost of the project is not approved for recovery in its retail and/or wholesale transmission rates.

9. Selection of a Transmission Developer for Sponsored and Unsponsored Projects

For any project (sponsored or unsponsored) determined by the PMC to be eligible for regional cost allocation and selected in the Regional Plan for purposes of cost allocation, the PMC shall select a transmission project developer according to the processes set forth in this section, provided that selection according to those processes does not violate applicable law where the transmission facility is to be built that otherwise prescribes the entity that shall develop and build the project. Any entity that, pursuant to applicable law for the location where the facilities are to be built, shall or chooses to develop and build the project must submit a project development schedule as required by Section VII.B.6 of this Attachment K, within the timeframe directed by the Business Practice Manual, not to exceed the time period for request for proposal responses.

For any project determined by the PMC to be eligible for regional cost allocation and selected in the Regional Plan for purposes of cost allocation, either sponsored by a transmission developer or unsponsored, that is not subject to the foregoing paragraph, the PMC shall upon posting the selected projects, issue a request for information to all Eligible Transmission Developers under Section III.D.3 of this Attachment K soliciting their interest in developing the project(s).

Each transmission developer shall respond to the request for information indicating its interest in developing the project. The PMC shall post on the WestConnect website the list of all transmission developers who responded with an expression of interest in developing the project(s). The PMC shall provide to each developer indicating interest in developing a project a request for proposals for the identified project(s) with a specified date of return for all proposals. Each transmission developer, or partnership or joint ventures of transmission developers, shall submit information demonstrating its ability to finance, own and construct the project consistent with the guidelines for doing so set forth in the WestConnect Business Practices Manual. The PMC shall assess the submissions according to the following process and criteria:

The evaluation of the request for proposals will be at the direction of the PMC, and will involve representatives of the beneficiaries of the proposed project(s). The evaluation will include, but not be limited to, an assessment of the following evidence and criteria.

- General qualifications of the bidding entity;
- Evidence of financing/financial creditworthiness, including
  - financing plan (sources debt and equity), including construction financing and long-term financing
  - ability to finance restoration/forced outages
  - credit ratings
  - financial statements;
- Safety program and experience;
- Project description, including
  - detailed proposed project description and route
  - design parameters
  - design life of equipment and facilities
  - description of alternative project variations;
- Development of project, including
  - experience with and current capabilities and plan for obtaining state and local licenses, permits, and approvals
  - experience with and current capabilities and plan for obtaining any federal licenses and permits
  - experience with and expertise and plan for obtaining rights of way
  - development schedule
  - development budget;
- Construction, including
  - experience with and current capabilities and plan for project construction
  - third party contractors
  - procurement plan
  - project management (cost and schedule control)

  - construction schedule
  - construction budget (including all construction and period costs;
- Operations, including
  - experience with and current capabilities and plan for project operation
  - experience with and current capabilities and plan for NERC compliance
  - security program and plan
  - storm/outage response plan
  - reliability of facilities already in operation;
- Maintenance capabilities and plans for project maintenance (including staffing, equipment, crew training, and facilities);
- Project cost to beneficiaries, including
  - total project cost (development, construction, financing, and other non- O&M costs)
  - operation and maintenance costs, including evaluation of electrical losses
  - revenue requirement, including proposed cost of equity, FERC incentives, proposed cost of debt and total revenue requirement calculation
  - present value cost of project to beneficiaries.

The PMC shall notify the developers of its determination as to which developer(s) it selected to develop the project(s) responsive to the request for proposal. The selected developer(s) must submit a project development schedule as required by Section VII.C.6 of this Attachment K.

If the PMC determines that a sponsored or unsponsored project fails to secure a developer through the process outlined in this section, the PMC shall remove the project from the Regional Plan.

After the PMC makes a determination, it will post a document on the WestConnect website within 60 days explaining the PMC's determination in selecting a particular transmission developer for a specific transmission project. The information will explain (1) the reasons why a particular transmission developer was selected or not selected, and, if applicable, (2) the reasons why a transmission project failed to secure a transmission developer.

10. No Obligation to Construct

The WestConnect Regional Planning Process is intended to determine and recommend more efficient or cost-effective transmission solutions for the WestConnect Planning Region. After the Regional Plan is approved, due to the uncertainty in the planning process and the need to address cost recovery issues, the Regional Planning Process shall not obligate any entity to construct, nor obligate any entity to commit to construct, any facilities, including any transmission facilities, regardless of whether such facilities are included in any plan. Nothing in this Attachment K or the Planning Participation Agreement or any

cost allocation under the Business Practice Manual or the Planning Participation Agreement will (1) determine any transmission service to be received by, or any transmission usage by, any entity, (2) obligate any entity to purchase or pay for, or obligate any entity to commit to purchase or pay for, any transmission service or usage, or (3) entitle any entity to recover for any transmission service or usage or to recover from any entity any cost of any transmission facilities, regardless of whether such transmission facilities are included in any plan. Without limiting the generality of the foregoing, nothing in this Attachment K, the Business Practice Manual or the Planning Participation Agreement with respect to an Order No. 1000 cost allocation shall preclude WestConnect or any other entity from carrying out any of its statutory authorities or complying with any of its statutory obligations.

11. Binding Order No. 1000 Cost Allocation Methods

Order No. 1000 cost allocation methods as set forth in Section VIII of this Attachment K are binding on identified beneficiaries enrolled in the WestConnect Planning Region, without prejudice to the following rights and obligations: (1) the right of a CTO, at its sole discretion, to decide whether to accept regional cost allocation in accordance with Section III.J; (2) the right and obligation of the PMC to reevaluate a transmission facility previously selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation under Section III.K of this Attachment K; (3) the right and obligation of an Eligible Transmission Developer to make a filing under Section 205 or other applicable provision of the Federal Power Act in order to seek approval from the Commission to recover the costs of any transmission facility selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation; (4) the right and obligation of any interested person to intervene and be heard before the Commission in any Section 205 or other applicable provision proceeding initiated by an Eligible Transmission Developer, including the right of any identified beneficiaries of the transmission facility to support or protest the filing and to present evidence on whether the proposed cost recovery is or is not just and reasonable; and (5) the right and obligation of the Commission to act under Section 205 or other applicable provisions of the Federal Power Act to approve or deny any cost recovery sought by an Eligible Transmission Developer for a transmission facility selected in the regional plan for purposes of Order No. 1000 cost allocation.[4]

12. Impacts of a Regional Project on Neighboring Planning Regions

The PMC studies the impact(s) of a regional transmission project on neighboring planning regions, including the resulting need, if any, for mitigation measures in such neighboring

[4] An Eligible Transmission Developer may not be subject to the Commission's Section 205 jurisdiction. See Section VII.C.5. If an Eligible Transmission Developer is not subject to FERC's jurisdiction under Section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from the Commission for project cost recovery pursuant to any other applicable section of the Federal Power Act.

planning regions. If the PMC finds that a regional transmission project in the WestConnect Planning Region causes impacts on a neighboring planning region that requires mitigation (a) by the WECC Path Rating Process, (b) under FERC OATT requirements, (c) under NERC Reliability Standards requirements, and/or (d) under any negotiated arrangement between the interconnected entities, the PMC includes the costs of any such mitigation measures into the regional transmission project's total project costs for purposes of determining the project's eligibility for regional cost allocation under the procedures identified in Section VII.C of this Attachment K, including application of the region's benefits-to-costs analysis.

The WestConnect Planning Region will not be responsible for compensating a neighboring planning region, Transmission Provider, Transmission Owner, Balancing Area Authority, or any other entity, for the costs of any required mitigation measures, or other consequences, on their systems associated with a regional transmission project in the WestConnect Planning Region, whether identified by the PMC or the neighboring system(s). The PMC does not direct the construction of transmission facilities, does not operate transmission facilities or provide transmission services, and does not charge or collect revenues for the performance of any transmission or other services. Therefore, in agreeing to study the impacts of a regional transmission facility on neighboring planning regions, the PMC is not agreeing to bear the costs of any mitigation measures it identifies. However, the PMC will request of any developer of a regional transmission project selected in the Regional Plan for purposes of cost allocation that the developer design and build its project to mitigate the project's identified impacts on neighboring planning regions. If the project is identified as impacting a neighboring planning region that accords less favorable mitigation treatment to the WestConnect Planning Region than the WestConnect Planning Region accords to it, the PMC will request that the project developer reciprocate by using the lesser of (i) the neighboring region's mitigation treatment applicable to the mitigation of impacts of its own regional projects on the WestConnect Planning Region, or (ii) the PMC's mitigation treatment set forth above in sub-sections (a) through (d).

13. Exclusions

a. The cost for transmission projects undertaken in connection with requests for generation interconnection or transmission service on the LADWP transmission system, which are governed by existing cost allocation methods within LADWP's OATT, shall continue to be so governed and shall not be subject to the provisions of this Attachment K.

b. As provided in LADWP's OATT, and the Transmission Customer's individual service agreement (if applicable), the Transmission Customer or Requester shall be responsible for the installed cost of all new load serving interconnections or upgrades to existing load serving interconnections.

VIII. Interregional Planning

This Section VIII of Attachment K sets forth common provisions, which are to be adopted by or for each Planning Region and which facilitate the implementation of Order No. 1000 interregional provisions. WestConnect is to conduct the activities and processes set forth in this Section VIII of Attachment K in accordance with the provisions of this Section VIII of Attachment K and the other provisions of the Attachment K, as applicable. Nothing in this Section VIII will preclude any transmission owner or transmission provider from taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements. Any Interregional Cost Allocation regarding any ITP (as defined herein) is solely for the purpose of developing information to be used in the regional planning process of each Relevant Planning Region, including the regional cost allocation process and methodologies of each such Relevant Planning Region. References in this Section VIII to any transmission planning processes, including cost allocations, are references to transmission planning processes pursuant to Order No. 1000.

A. Definitions

The following capitalized terms where used in this Section VIII of Attachment K, are defined as follows:

Annual Interregional Coordination Meeting: shall have the meaning set forth in Section VIII.C below.

Annual Interregional Information: shall have the meaning set forth in Section VIII.B below.

Interregional Cost Allocation: means the assignment of ITP costs between or among Planning Regions as described in Section VIII.E.2 below.

Interregional Transmission Project ("ITP"): means a proposed new transmission project that would directly interconnect electrically to existing or planned transmission facilities in two or more Planning Regions and that is submitted into the regional transmission planning processes of all such Planning Regions in accordance with Section VIII.D.1.

Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language: means this Section VIII, which relates to Order No. 1000 interregional provisions.

Planning Region: means each of the following Order No. 1000 transmission planning regions insofar as they are within the Western Interconnection: California Independent System Operator Corporation, ColumbiaGrid, Northern Tier Transmission Group, and WestConnect.

Relevant Planning Regions: means, with respect to an ITP, the Planning Regions that would directly interconnect electrically with such ITP, unless and until such time as a Relevant Planning Region determines that such ITP will not meet any of its regional transmission needs in accordance with Section VIII.D.2, at which time it shall no longer be considered a Relevant Planning Region.

A. Annual Interregional Information Exchange

Annually, prior to the Annual Interregional Coordination Meeting, WestConnect is to make available by posting on its website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in WestConnect's transmission planning region and potential solutions thereto:

1. Study plan or underlying information that would typically be included in a study plan, such as:

   (a) identification of base cases;

   (b) planning study assumptions; and

   (c) study methodologies;

1. Initial study reports (or system assessments); and
2. Regional transmission plan

(collectively referred to as "Annual Interregional Information").

WestConnect is to post its Annual Interregional Information on its website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process WestConnect's Annual Interregional Information. WestConnect may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

WestConnect is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by WestConnect in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region, or (iii) any information if WestConnect reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission's Orders covering the standards of conduct for transmission providers. Annual Interregional Information made available or otherwise provided by WestConnect shall be subject to applicable confidentiality and CEII restrictions and other applicable

laws, under WestConnect's regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by WestConnect shall be "AS IS" and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of WestConnect, including any liability for (a) any errors or omissions in such Annual Interregional Information, or (b) any delay or failure to provide such Annual Interregional Information.

B. Annual Interregional Coordination Meeting

WestConnect is to participate in an Annual Interregional Coordination Meeting with the other Planning Regions. WestConnect is to host the Annual Interregional Coordination Meeting in turn with the other Planning Regions, and is to seek to convene such meeting in February, but not later than March 31st. The Annual Interregional Coordination Meeting is to be open to stakeholders. WestConnect is to provide notice of the meeting to its stakeholders in accordance with its regional transmission planning process.

At the Annual Interregional Coordination Meeting, topics discussed may include the following:

1. Each Planning Region's most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);

2. Identification and preliminary discussion of interregional solutions, including conceptual solutions, that may meet regional transmission needs in each of two or more Planning Regions more cost effectively or efficiently; and

3. Updates of the status of ITPs being evaluated or previously included in WestConnect's regional transmission plan.

C. ITP Joint Evaluation Process

1. Submission Requirements

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to Section VIII.D.2 by submitting the ITP into the regional transmission planning process of each Relevant Planning Region in accordance with such Relevant Planning Region's regional transmission planning process and no later than March 31st of any even-numbered calendar year. Such proponent of an ITP seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region must submit the ITP to each such Planning Region in accordance with such Planning Region's regional transmission planning process. In addition to satisfying each Relevant Planning Region's information requirements, the proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions to which the ITP is being submitted.

2. Joint Evaluation of an ITP

For each ITP that meets the requirements of Section VIII.D.1, WestConnect (if it is a Relevant Planning Region) is to participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the ITP's submittal in accordance with Section VIII.D.1 or the immediately following calendar year. With respect to any such ITP, WestConnect (if it is a Relevant Planning Region) is to confer with the other Relevant Planning Region(s) regarding the following:

(i) ITP data and projected ITP costs; and

(ii) The study assumptions and methodologies it is to use in evaluating the ITP pursuant to its regional transmission planning process.

For each ITP that meets the requirements of Section VIII.D.1, WestConnect (if it is a Relevant Planning Region):

(i) is to seek to resolve any differences it has with the other Relevant Planning Regions relating to the ITP or to information specific to other Relevant Planning Regions insofar as such differences may affect WestConnect's evaluation of the ITP;

(ii) is to provide stakeholders an opportunity to participate in WestConnect's activities under this Section VIII.D.2 in accordance with its regional transmission planning process;

(iii) is to notify the other Relevant Planning Regions if WestConnect determines that the ITP will not meet any of its regional transmission needs; thereafter

WestConnect has no obligation under this Section VIII.D.2 to participate in the joint evaluation of the ITP; and

(iv) is to determine under its regional transmission planning process if such ITP is a more cost effective or efficient solution to one or more of WestConnect's regional transmission needs.

D. Interregional Cost Allocation Process

1. Submission Requirements

For any ITP that has been properly submitted in each Relevant Planning Region's regional transmission planning process in accordance with Section VIII.D.1, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost allocation from WestConnect and each other Relevant Planning Region in accordance with its regional transmission planning process. The proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions in which Interregional Cost Allocation is being requested.

2. Interregional Cost Allocation Process

For each ITP that meets the requirements of Section VIII.E.1, WestConnect (if it is a Relevant Planning Region) is to confer with or notify, as appropriate, any other Relevant Planning Region(s) regarding the following:

(i) Assumptions and inputs to be used by each Relevant Planning Region for purposes of determining benefits in accordance with its regional cost allocation methodology, as applied to ITPs;

(ii) WestConnect's regional benefits stated in dollars resulting from the ITP, if any; and

(iii) Assignment of projected costs of the ITP (subject to potential reassignment of projected costs pursuant to Section VIII.F.2 below) to each Relevant Planning Region using the methodology described in this Section VIII.E.2.

For each ITP that meets the requirements of Section VIII.E.1, WestConnect (if it is a Relevant Planning Region):

(a) is to seek to resolve with the other Relevant Planning Regions any differences relating to ITP data or to information specific to other Relevant Planning Regions insofar as such differences may affect WestConnect's analysis;

(b) is to provide stakeholders an opportunity to participate in WestConnect's activities under this Section VIII.E.2 in accordance with its regional transmission planning process;

(c) is to determine its regional benefits, stated in dollars, resulting from an ITP; in making such determination of its regional benefits in WestConnect, WestConnect uses its regional cost allocation methodology, as applied to ITPs;

(d) is to calculate its assigned *pro rata* share of the projected costs of the ITP, stated in a specific dollar amount, equal to its share of the total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the ITP;

(e) is to share with the other Relevant Planning Regions information regarding what its regional cost allocation would be if it were to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation; WestConnect may use such information to identify its total share of the projected costs of the ITP to be assigned to WestConnect in order to determine whether the ITP is a more cost effective or efficient solution to a transmission need in WestConnect;

(f) is to determine whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation, based on its regional transmission planning process; and

(g) is to endeavor to perform its Interregional Cost Allocation activities pursuant to this Section VIII.E.2 in the same general time frame as its joint evaluation activities pursuant to Section VIII.D.2.

E. Application of Regional Cost Allocation Methodology to Selected ITP

1. Selection of all Relevant Planning Regions

If WestConnect (if it is a Relevant Planning Region) and all of the other Relevant Planning Regions select an ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Section VIII.E.2(d) or VIII.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

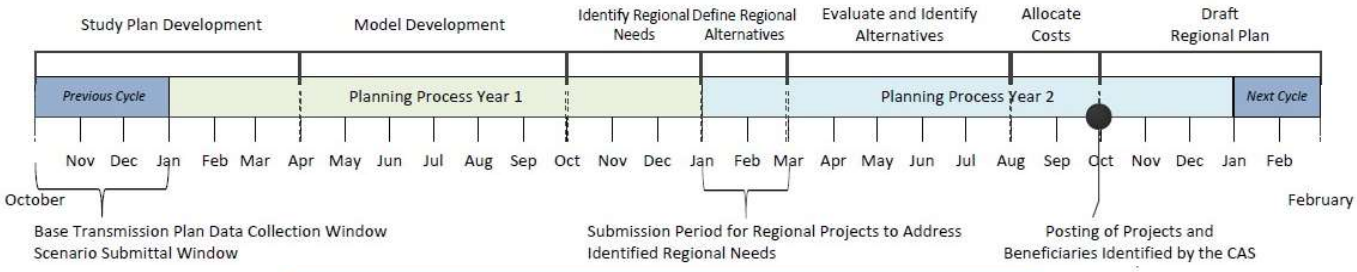
2. Selection by at Least Two but Fewer than All Relevant Planning Regions

If WestConnect (if it is a Relevant Planning Region) and at least one, but fewer than all, of the other Relevant Planning Regions select the ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation,

WestConnect is to evaluate (or reevaluate, as the case may be) pursuant to Sections VIII.E.2(d), VIII.E.2(e), and VIIIE.2(f) above whether, without the participation of the non-selecting Relevant Planning Region(s), the ITP is selected (or remains selected, as the case may be) in its regional transmission plan for purposes for Interregional Cost Allocation. Such reevaluation(s) are to be repeated as many times as necessary until the number of selecting Relevant Planning Regions does not change with such reevaluation.

If following such evaluation (or reevaluation), the number of selecting Relevant Planning Regions does not change and the ITP remains selected for purposes of Interregional Cost Allocation in the respective regional transmission plans of WestConnect and at least one other Relevant Planning Region, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections VIII.E.2(d) or VIII.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

Exhibit 1



Regional Planning Process Activity	Activity Timeframe
Stakeholder meetings	WestConnect will hold open stakeholder meetings on at least a semi-annual basis, or as needed and noticed by the PMC with 30 days advance notice, to update stakeholders about its progress in developing the Regional Plan and to solicit input regarding material matters of process related to the regional transmission plan.
Base transmission plan data collection window	The PS will initiate development of the base transmission plan no later than Quarter 8 of the previous biennial planning cycle and in conjunction with initiating the development of the Regional Study Plan. The submittal window for projects to be considered as part of the base transmission plan will be noticed a minimum of 15 days before the window opens, and the submittal window will stay open for a minimum of 30 days.
Scenario submittal window	A scenario submittal window will open when the development of the Regional Study Plan commences and no later than Quarter 8 of the previous biennial planning cycle. The scenario submittal window will be noticed a minimum of 15 days before the window opens, and the submittal window will stay open for a minimum of 30 days.
Identification of regional needs	Identified regional needs will be posted to the WestConnect website no later than close of Quarter 4 of the first year of the biennial cycle.
Submission Period for Regional Projects to Address Identified Regional Needs	For consideration in the current planning cycle, projects must be submitted following the posting of identified regional needs to the WestConnect website, and must occur before the end of Quarter 5 of the biennial planning cycle. Any project submitted after this date will be considered in the next subsequent planning cycle.

ATTACHMENT L

Creditworthiness Procedures

1. PURPOSE

For purposes of determining the ability of the Transmission Customer to meet its obligations pursuant to the Tariff, the Transmission Provider will apply the credit review procedures described herein.

Prior to the execution of a Service Agreement, the Transmission Provider will review the Transmission Customer's creditworthiness and thereafter as described herein by the Transmission Provider. This can be accomplished by contacting the Department's Credit Management Group at 213-367-4339. The Credit Management Group will inform the Transmission Group's Contract Manager when credit has been established. After the Transmission Service Agreement is signed, the Credit Management Group will establish the counterparty in its risk reporting system.

2. SECURED AND UNSECURED CREDIT CRITERIA

2.1 Unsecured Credit

A. Criteria Used to Determine Eligibility for Unsecured Credit

The Transmission Customer must meet one the following criteria to be eligible for unsecured credit:

1. Be a load serving entity, which means the Transmission Customer is a distribution utility or an electric utility that has a service obligation to its retail customers; or
2. Have or have a parent company with an investment-grade credit rating from at least one of the following national credit rating organizations: Standard & Poor's (S&P), Moody's Investor Services (Moody's), or Fitch Ratings (Fitch); and have an Expected Default Frequency (EDF) equivalent of investment-grade when calculated using the Moody's EDF criteria or the S&P EDF criteria. If the Transmission Customer has more than one rating, the lowest rating must be investment grade.

B. Maximum Unsecured Credit Available to an Eligible Transmission Customer

The maximum unsecured credit for physical power, transmission, and physical gas that may be extended to a Customer that is eligible for unsecured credit is identified in the Table below:

Category	Maximum Unsecured Credit Limit(1)
Investment Grade	$5,000,000
Non-Rated Subsidiary with Parent Guaranty	$2,000,000
Non-Rated Internal Scored(2)	$1,000,000
Non-Investment Grade	$0

(1) Limits are not to exceed 1.00% of the counterparty's most recent stockholders' equity.

(2) Internal Scores are derived from assessments of the financial strength and corresponding ability to pay on a timely basis.

C. Criteria used to Establish the Unsecured Credit Available to an Eligible Transmission Customer

The Transmission Provider will determine the unsecured credit available to an eligible Transmission Customer on a case-by-case basis based on:

1. Quantitative factors including capital structure; liquidity and financial flexibility; and financial statements, including profitability and cash flow, in particular; and
2. Qualitative factors including the Transmission Customer's payment history; the anticipated nature, volume, tenor, and notional value of transactions with the Transmission Provider; management; relevant contractual obligations, including any netting provisions; governance policies; ownership structure; litigation and contingencies; and financial and accounting policies.

D. Unsecured Credit Administration

Once a credit limit has been reached no additional sales may be made until payment or additional credit assurance is received. If at any time a Transmission Customer fails to pay unsecured amounts owed to Transmission Provider, the credit limit is reduced to zero.

2.2 Secured Credit

A. Transmission Customers Required to Provide Security

Security is required from Transmission Customers that do not qualify for unsecured credit or that exceed unsecured credit limits.

B. Acceptable Forms of Security

Transmission Provider ~~with~~ will accept any of the following forms of security from Transmission Customers required to provide security:

1. An irrevocable letter of credit in a form reasonably acceptable to Transmission Provider issued by a financial institution acceptable to the Transmission Provider and possesses a credit rating of at least A3 by Moody's, A- by S&P, or A- by Fitch;
2. A payment (parent) guarantee issued by an investment rated parent company or other in pre-approved payment (parent) guarantee language;
3. An escrow trust account;
4. A surety/performance bond; or
5. A prepayment of at least ten days prior to transmission service and no interest will be paid thereon.

C. Amount of Required Security

A Transmission Customer required to provide security shall provide security in an acceptable form in an amount equal to the lesser of the amount of the total contract notional value or the notional value of anticipated transmission services for a rolling 60-day period.

3. CREDIT EVALUATION AND REEVALUATION

The creditworthiness of a Transmission Customer will be reevaluated annually, and may be reevaluated more frequently if the Transmission Provider has reasonable grounds there has been deterioration in the Transmission Customer's creditworthiness. The Transmission Provider may adjust a Transmission Customer's credit limit and/or any required security based on the results of such reevaluation.

The Transmission Provider shall notify the Transmission Customer when credit requirements are not met and additional security is required. The Transmission

Customer shall provide Transmission Provider with additional security in an acceptable form within 3 business days of notification by Transmission Provider that its credit requirements are not met or additional security is required.

4. DELINQUENCIES AND ADVERSE EVENTS

When the Transmission Customer's account becomes past due, the Transmission Provider will stop conducting any new business with the Transmission Customer until the matter is resolved. Upon notification of a Transmission Customer's bankruptcy, no new business will be conducted with the Transmission Customer and its credit limit will be reduced to zero. Upon emergence from bankruptcy, the Transmission Customer must be firmly reestablished in the marketplace as evidenced by its return to an investment grade credit status by S&P, Moody's, or Fitch or by successfully participating in the market for at least one year, before the Transmission Customer can reapply for credit under the regular procedures outlined in this Attachment L.

5. CREDIT DISPUTES

A Transmission Customer may request a written explanation of how the Transmission Provider applied the credit evaluation and security requirements of this Attachment L to the Transmission Customer. The Transmission Customer may contest any determination of credit limit or required security by submitting a written explanation of its reasons for disagreeing with such credit limit or security to the Transmission Provider. Within thirty (30) business days of receiving Transmission Customer's written explanation, the Transmission Provider will review and provide a written response to the Transmission Customer.

6. CONTACT

Transmission Customers with credit questions are directed to contact:

Tiffany He
(213) 367-4205
Tiffany.he@ladwp.com

ATTACHMENT M

Large Generator Interconnection Procedures

LOS ANGELES DEPARTMENT OF WATER AND POWER

LARGE GENERATOR

INTERCONNECTION PROCEDURES (LGIP)

including

LARGE GENERATOR

INTERCONNECTION AGREEMENT (LGIA)

Standard Large Generator
Interconnection Procedures (LGIP)
(Applicable to Generating Facilities that exceed 20 MW)

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Appendix 5 – ~~Optional~~Surplus Interconnection Service System Impact Study Agreement

Appendix 6 – Form Large Generator Interconnection Agreement

Appendix 7 – Interconnection Procedure for a ~~Wind~~Non-Synchronous Generating ~~Plant or Solar Generating Plant~~Facility

Large Generator
Interconnection Procedures (LGIP)
(Applicable to Generating Facilities that exceed 20 MW)

Section 1. Definitions

In addition to other terms defined within this LGIP, the following terms, whether in the singular or plural, when used herein and in appendices attached hereto and initially capitalized, shall have the meanings specified below:

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

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

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

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

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

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

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

Applicable Reliability Standards shall mean the requirements and guidelines of NERC or its successor, as the Applicable Reliability Council, and the Balancing Authority Area of the Transmission System to which the Generating Facility is directly interconnected.

Balancing Authority shall mean the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.

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

Breach shall mean the failure of a Party to perform or observe any material term or condition of ~~this LGIP or an executed~~an LGIA.

Breaching Party shall mean a Party that is in Breach of the provisions of ~~this LGIP or any term or condition of an executed~~an LGIA.

Bureau of Land Management (BLM) shall mean the U.S. Department of the Interior, Bureau of Land Management, or its successor agency, which manages federal public lands.

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

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

Cluster shall mean a group of Interconnection Requests (one or more) that are studied together for the purpose of conducting the Cluster Study.

Cluster Area shall mean the areas of the Transmission Provider's Transmission System that are included together in a Cluster, as described further in Section 7.4 of this LGIP.

Cluster Request Window shall have the meaning set forth in Section 4.2.1 of this LGIP.

Cluster Re-Study shall mean a re-study of a Cluster Study conducted pursuant to Section 7.4 of this LGIP.

Cluster Re-Study Report shall mean the report issued followed completion of a Cluster Re-Study pursuant to Section 7.4 of this LGIP.

Cluster Re-Study Meeting shall mean the meeting held to discuss the results of a Cluster Re-Study pursuant to Section 7.4 of this LGIP.

Cluster Study shall mean an Interconnection Study evaluating one or more Interconnection Requests within a Cluster, as described in more detail in Section 7.4 of this LGIP.

Cluster Study Agreement shall mean the form of agreement contained in Appendix 3 to the Standard Large Interconnection Procedures for conducting the Cluster Study.

Cluster Study Report shall mean the report issued following completion of a Cluster Study pursuant to Section 7.4 of this LGIP.

Cluster Study Report Meeting shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7.4 of this LGIP.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, ~~for the purpose of conducting the Interconnection System Impact Study~~as described in more detail in Section 7.

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

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

~~**Common Facilities** shall mean those certain facilities described in Exhibit 1 of Appendix H to the Large Generator Interconnection Agreement.~~

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, ~~including any competitively sensitive, commercial or financial information,~~ which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

~~**Critical Energy Infrastructure Information or CEII** shall mean specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure that: (i) relates details about the production, generation, transportation, transmission, or distribution of energy; (ii) could be useful to a person in planning an attack on critical infrastructure; (iii) is exempt from mandatory disclosure under the Freedom of Information Act, 5 U.S.C. § 552; and (iv) does not simply give the general location of the critical infrastructure.~~

~~**Critical Infrastructure** shall mean existing and proposed systems and assets, whether physical or virtual, the incapacity or destruction of which would negatively affect security, economic security, public health or safety, or any combination of those matters.~~

Contingent Facilities shall mean 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 Re-Studies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Customer Engagement Window shall have the meaning set forth in Section 7.2 of this LGIP.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the LGIA~~ or the failure of Interconnection Customer to cure any deficiency under the provisions of this LGIP~~.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis~~, as set forth in Section 13.5 herein~~.

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

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the ~~Transmission Service~~transmission service necessary to ~~affect~~effect Interconnection Customer's wholesale sale

of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Large Generator Interconnection Agreement becomes effective upon execution by the Parties.

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

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

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

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

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

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

Financial Security shall mean any of the forms of collateral or security listed in Section 2.2 of the Creditworthiness Procedures included in Attachment L to this Tariff.

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

Generating Facility shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

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

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

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer~~ or any Affiliate thereof~~, Transmission Provider, or any Affiliate thereof. In this context Transmission Provider does not include the City of Los Angeles or the Board of Water and Power Commissioners. Transmission Provider only includes the Department of Water and Power.

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

Informational Interconnection Study shall mean an analysis based on assumptions specified by Interconnection Customer in the Informational Interconnection Study Agreement and conducted pursuant to Section 6 of this LGIP.

Informational Interconnection Study Agreement shall mean the form of agreement contained in Appendix 2A to the Standard Large Generator Interconnection Procedures for conducting the Informational Interconnection Study.

Informational Interconnection Study Request shall mean an Interconnection Customer's request in the form of Appendix 2 to the Standard Large Generator Interconnection Procedures.

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

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities ~~and, as applicable, Common Facilities,~~ to obtain back feed power.

Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System. For purposes of the Transmission Provider's Cluster Study process conducted pursuant to Section 7 of this LGIP, and except as modified by Section 3 of Attachment N of the Transmission Provider's Tariff, "Interconnection Customer" shall also mean any Small Generating Facility that is participating in a Cluster.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including

any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades. Interconnection Facilities may be shared by more than one Generating Facility in a Cluster.

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

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

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Large Generator Interconnection Procedures, ~~subject to~~in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System. For purposes of the Transmission Provider's Cluster Study process conducted pursuant to Section 7 of this LGIP, and except as modified by Section 1.3 of Attachment N of the Transmission Provider's Tariff, "Interconnection Request" shall also mean any interconnection request from a Small Generating Facility that is participating in a Cluster.

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

Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Service Level or **Level of Interconnection Service** shall mean the maximum amount of electrical output (MW) requested by the Interconnection customer to be injected at the Point of Interconnection.

Interconnection Study shall mean any of the following studies: the Informational Interconnection Study, the Cluster Study, the Surplus Interconnection Service System Impact Study, and the Interconnection Facilities Study described in this LGIP~~, but excludes any Optional Study~~.

~~**Interconnection System Impact Study** shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System and a non-binding estimated cost of interconnecting the Generating Facility. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on any Adverse System Impacts, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in this LGIP.~~

~~**Interconnection System Impact Study Agreement** shall mean the form of agreement contained in Appendix 3 of this LGIP for conducting the Interconnection System Impact Study.~~

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall ~~have the meaning ascribed in the Large Generator~~be a group made up of representatives fromInterconnection ~~Agreement~~Customers and the Transmission Provider to coordinate operating andtechnical considerations of Interconnection Service.

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

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

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

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, ~~expert witness and consultant 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 Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

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

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

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

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

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers. Network Resource Interconnection Service in and of itself does not convey ~~Transmission Service~~transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the

Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall have the meaning ascribed in Section 13.5 of this LGIP.

~~**Optional Interconnection Study** shall mean any sensitivity or other analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.~~

~~**Optional Interconnection Study Agreement** shall mean the form of agreement contained in Appendix 5 of this LGIP for conducting the Optional Interconnection Study.~~

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

Permissible Technological Advancement shall mean a change to the Generating Facilities of the Interconnection Customer's Interconnection Request that: (1) results in the inclusion of technologies that achieve cost and/or grid performance efficiencies; (2) results in electrical performance equal to or better than the electrical performance expected prior to the technology change; (3) would not trigger a Material Modification, as defined in this LGIP; and (4) would not cause any reliability concerns relative to short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability and response. Permissible technological advancements may include advancements to turbines, inverters, plant supervisory controls, or other technological advancements that may enhance a generating facility's ability to provide ancillary services, but do not include changes in generation technology or fuel type (including the energy source behind an inverter).

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

Point of Delivery shall have the meaning ascribed in the Tariff.

~~**Point of Interconnection** shall mean (i) prior to the execution of the LGIA, the point set forth in Attachment A to Appendix 3, the System Impact Study Agreement, where the proposed Interconnection Facilities are intended to connect to the Transmission Provider's Transmission System or (ii) upon execution of the LGIA,~~ **Point of Interconnection** shall mean the point, as

set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Point of Receipt shall have the meaning ascribed in the Tariff.

Preliminary Plan of Development ("PPOD") shall mean the plan required to be submitted to the BLM, if any, to obtain necessary permits or Right-of-Way grants as may be required for the construction of the Generating Facility and Interconnection Customer Interconnection Facilities, which are to be sited, all or partially, on BLM-managed lands.

Provisional Interconnection Service shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean 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 a valid Interconnection Request by the Transmission Provider. For purposes of this definition, Transmission Provider shall consider an Interconnection Request to be valid on the date~~ that ~~the~~ Interconnection Customer ~~has satisfied~~satisfies all of the requirements of ~~Section~~Sections 3~~.3.1 of this LGIP.~~, 4, and 7 to enter the Cluster Study Process.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under this LGIP or the LGIA, 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.

Readiness Milestone Options shall mean the options set forth in Section 3.4.1(v) of the LGIP.

Resource Plan shall mean any process authorized or required by Applicable Laws and Regulations for, inter alia, the selection of Generating Facilities.

Resource Solicitation Process shall mean any process authorized or required by Applicable Laws and Regulations for the acquisition of Network Resources.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing the proposed interconnection request, alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to ~~impact~~affect such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection~~, as further described in Section 3.3.4 of this LGIP~~.

Site Control shall mean 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 ~~reasonably demonstrating~~establishing: (1) ownership of, a leasehold interest in, or a right to develop a site ~~for the purpose of constructing~~of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold ~~site for such purpose~~interest in a site of sufficient size to construct and operate the Generating Facility; or (3) ~~an exclusivity or~~ any other ~~business relationship between~~documentation that clearly demonstrates the right of the Interconnection Customer ~~and the entity having the right to sell, lease~~to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. For purposes of lands managed by a governmental entity (such as BLM), a PPOD or equivalent government-issued documentation, shall be sufficient for demonstrating Site Control as to such government-managed land. Site Control for any co-located project is demonstrated by a contract or ~~grant Interconnection Customer the right to possess or occupy a site~~ other agreement demonstrating shared land use for ~~such purpose~~all co-located projects that meet the aforementioned provisions of this Site Control definition.

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

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify ~~these upgrades in Appendix A to the Large Generator Interconnection Agreement~~them in Appendix A to the Large Generator Interconnection Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the

TransmissionProvider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

~~**Standards of Conduct** shall mean those standards adopted by the Transmission Provider that govern its transmission functions as well as communication of certain information.~~

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service established in a 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.

Surplus Interconnection Service System Impact Study shall mean an engineering study that evaluates the impact of a proposed request for Surplus Interconnection Service on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in these Large Generator Interconnection Procedures.

Surplus Interconnection Service System Impact Study Agreement shall mean the form of agreement contained in Appendix 5 of these Large Generator Interconnection Procedures for conducting a system impact study for purposes of evaluating a request for Surplus Interconnection Service pursuant to Section 3.3 of this LGIP.

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

Tariff shall mean the Transmission Provider's Tariff ~~(also known as the Open Access Transmission Tariff or OATT)~~ through which open access ~~Transmission Service~~transmission service and Interconnection Service are offered, as amended or supplemented from time to time, or any successor tariff.

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

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

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades. Transmission Provider's Interconnection Facilities may be shared by more than one Generating Facility in a given Cluster Study.

Transmission ~~Service~~ ~~shall mean those services provided to the Transmission Customer under the Tariff to move energy from a Point of Receipt to a Point of Delivery.~~

~~**Transmission**~~ **System** shall mean the ~~alternating current transmission~~ facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide ~~Transmission Service~~transmission service under the Tariff.

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

~~**WECC** shall mean Western Electricity Coordinating Council or its successor.~~

Withdrawal Penalty shall have the meaning set forth in Section 3.7.1 of this LGIP.

Section 2. Scope and Application

2.1 Application of Large Generator Interconnection Procedures

Sections 2 through 13 ~~of this LGIP~~ apply to ~~the~~ processing ~~of~~ an Interconnection Request pertaining to a Large Generating Facility~~, **excepting** any and all Interconnection Requests to interconnect to High Voltage Direct Current (HVDC) transmission facilities owned, controlled or operated by Transmission Provider or Transmission Owner that are used to provide Transmission Service under~~. As provided in Section 3 of Attachment N the Tariff, ~~which such requests~~ Small Generating Facilities that are not eligible for the fast track or inverter process will be processed in a single study process with Large Generating Facilities. Additionally, Small Generating Facilities requesting Network Resource Interconnection Service shall be processed under ~~a separate and distinct HVDC LGIP/LGIA~~this LGIP. As provided for in Section 3 of Attachment N, interconnection requests for Small Generating Facilities may be studied together in Clusters with Interconnection Requests for Large Generating Facilities.

2.2 ~~Standardized Processing~~Comparability.

Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this LGIP. Transmission Provider will use the same Reasonable Efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Generating Facilities are owned by Transmission Provider, its subsidiaries or Affiliates or others.

2.3 Base Case Data

~~Subject to the Interconnection Customer executing a confidentiality or non-disclosure agreement prior to any disclosure and further subject to the confidentiality provisions in Section 13.1 of this LGIP,~~ Transmission Provider shall ~~provide information on the~~maintain base power flow, short circuit and stability databases, including all underlying assumptions, and ~~any~~ contingency list ~~upon request by Interconnection Customer which may include~~ 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 the Interconnection Customers, OASIS site users and password-protected website users sign a confidentiality agreement before the release of commercially sensitive information or ~~CEII; provided, however, that such information will not be available to Interconnection Customer prior to the Transmission Provider's completion of~~ Critical Energy Infrastructure Information in the ~~Interconnection Study report.~~Base Case data. Such databases and lists, hereinafter referred to as Base Cases, shall include all (~~i~~1) generation projects ~~identified by Queue Position only and (ii~~and (2) transmission projects ~~identified by Queue Position only~~, including merchant transmission projects that are proposed for the Transmission System for which a transmission expansion plan has been submitted and approved by the applicable authority.

2.4 No Applicability to Transmission Service

Nothing in this LGIP shall constitute a request for ~~Transmission Service~~transmission service or confer upon an Interconnection Customer any right to receive ~~Transmission Service. Transmission Provider's acknowledgement or acceptance of an Interconnection Request from Interconnection Customer bears no relationship to Interconnection Customer's access to or the availability of Transmission Service. To request Transmission Service, Interconnection Customer must submit a separate request for Transmission Service in accordance~~transmission service.

2.5 EIM Requirements.

The Interconnection Customer shall have a continuing duty to comply with ~~the~~ Attachment O of this Tariff, as applicable.

Section 3. Interconnection Requests and Informational Interconnection Study Requests

3.1 ~~General~~Interconnection Requests

An Interconnection Customer shall submit to Transmission Provider, during a Cluster Request Window, an Interconnection Request in the form of Appendix 1 to this LGIP and a refundable deposit of: (a) $75,000 for requests of less than 50 MW; (b) $150,000 for requests of 50 MW and greater, but less than 200 MW; or (c) $250,000 ~~("initial deposit") subject to the terms and conditions of this LGIP.~~ for requests of 200 MW and greater. Pursuant to Section 4.2.2, Transmission Provider shall apply the deposit toward ~~administrative and study costs associated with the~~a Cluster Study into which Interconnection ~~Request,~~Customer is admitted including ~~any administrative costs associated with the~~such Interconnection Customer's individual Facilities Study, and shall be used to process

Interconnection Customer's ~~withdrawal~~request. For Small Generating Facilities, the appropriate application fee or ~~default~~deposit shall be determined pursuant to Section 1.3 of Attachment N of the Tariff. Interconnection Customer shall submit a separate Interconnection Request for each site and may submit multiple Interconnection Requests for a single site. Interconnection Customer must submit a deposit with each Interconnection Request even when more than one request is submitted for a single site. ~~Any~~An Interconnection Request ~~which proposes~~ 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 the Scoping Meeting to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Interconnection Customer ~~shall~~will select the ~~designated~~definitive Point of Interconnection to be studied ~~prior to~~no later than the execution of the Cluster Study Agreement. For purposes of clustering Interconnection ~~System Impact Study Agreement~~Service requests, Transmission Provider may make reasonable changes to the requested Point of Interconnection to facilitate efficient interconnection of Interconnection Customers at common Points of Interconnection. Transmission Provider shall notify Interconnection Customers in writing of any intended changes to the requested Point of Interconnection 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 the 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 the Interconnection Customer. Interconnection Customers may be subject to additional control technologies as well as testing and validation of those technologies consistent with Article 6 of

the LGIA. The necessary control technologies and protection systems shall be established in Appendix C of that executed 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 Facility Study Agreement is executed.~~of five (5) Business Days after the initial Cluster Study Report Meeting held under Section 7.4(c). Interconnection Customer may then elect to proceed with Network Resource Interconnection Service or to proceed under a lower ~~level~~Level of ~~interconnection service~~Interconnection Service 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 ~~power flow,~~ 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 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, 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. The Transmission Provider may also study the Transmission System under non-peak load conditions. However, upon request by the Interconnection Customer, the Transmission Provider must explain in writing to the 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.

3.3.1 Surplus Interconnection Service Requests.

Surplus Interconnection Service requests may be made by the existing Interconnection Customer whose Generating Facility is already interconnected or one of its Affiliates. 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 or Cluster Study 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.

All notifications and requests for Surplus Interconnection Service shall be submitted in accordance with the Transmission Provider's Business Practice, posted on its OASIS, and shall be processed outside of the interconnection queue. In order to deem a request for Surplus Interconnection Service valid and complete, a deposit of $25,000 must be received by the Transmission Provider. After a request for Surplus

Interconnection Service has been deemed valid and complete by the Transmission Provider, the Transmission Provider will notify the Interconnection Customer and schedule the Scoping Meeting within five (5) Business Days.

3.3.2 Surplus Interconnection Service System Impact Study.

3.3.2.1 Within five (5) Business Days following the Scoping Meeting, Interconnection Customer shall specify for inclusion in the attachment to the Interconnection System Impact Study Agreement its requested Point(s) of Interconnection. Within five (5) Business Days following Transmission Provider's receipt of such Point(s) of Interconnection, Transmission Provider shall tender to Interconnection Customer the Surplus Interconnection Service System Impact Study Agreement in the form of Appendix 5 of this LGIP signed by Transmission Provider, which includes a good faith estimate of the estimated timeframe for completing the Surplus Interconnection Service System Impact Study. The Surplus Interconnection Service System Impact Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Surplus Interconnection Service System Impact Study.

3.3.2.2 Interconnection Customer shall execute the Surplus Interconnection Service System Impact Study Agreement and deliver the executed Surplus Interconnection Service System Impact Study Agreement to Transmission Provider no later than thirty (30) Calendar Days after its receipt.

3.3.2.3 As part of its Surplus Interconnection Service System Impact Study process, the Transmission Provider will evaluate the original interconnection system impact study, if any, or applicable Cluster Studies, to determine their suitability for use in the evaluation of the request for Surplus Interconnection Service. Inclusive of any Surplus Interconnection Service System Impact Study(ies) performed to evaluate the existing Interconnection Service and deemed suitable for use in the evaluation of the request 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 existing Interconnection Service was not studied under off-peak conditions or such study was not deemed suitable, off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. If an existing interconnection system impact study or Cluster Study is not available or deemed suitable 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 studies performed to evaluate a request for Surplus Interconnection Service will identify if any additional Interconnection Facilities and/or Network Upgrades are necessary. If any additional Network Upgrades are necessary, the Surplus Interconnection Request will be denied. Necessary control technologies will also be identified in the studies performed.

3.3.2.4 Transmission Provider shall use Reasonable Efforts to complete the Surplus Interconnection Service System Impact Study within ninety (90) Calendar Days after the receipt of the Surplus Interconnection Service System Impact Study Agreement or notification to proceed, study payment, and technical data.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Surplus Interconnection Service System Impact Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Surplus Interconnection Service System Impact Study. If Transmission Provider is unable to complete the Surplus Interconnection Service System Impact Study within the time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.

3.3.2.5 Within ten (10) Business Days of providing a Surplus Interconnection Service System Impact Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Surplus Interconnection Service System Impact Study, unless otherwise mutually agreed upon by the Parties.

3.3.3 Surplus Interconnection Service Agreement.

3.3.3.1 Within thirty (30) Calendar Days after delivery of the Surplus Interconnection Service System Impact Study report, Transmission Provider shall tender a draft Surplus Interconnection Service Agreement to the original Interconnection Customer and the Surplus Interconnection Service Customer. The draft Surplus Interconnection Service Agreement shall be executed and returned within thirty (30) Calendar Days.

3.3.3.2 Transmission Provider and Interconnection Customers shall negotiate concerning any disputed provisions of the appendices to the draft Surplus Interconnection Service Agreement for not more than sixty (60) Calendar Days after tender of the draft Surplus Interconnection Service Agreement. If any Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft Surplus Interconnection Service Agreement pursuant to Section 3.3.3.1 and initiate Dispute Resolution procedures pursuant to Section 13.5 of the LGIP. Within sixty (60) Calendar Days of tender of draft Surplus Interconnection Service Agreement and unless otherwise agreed by the Parties, if Interconnection Customer has not executed the Surplus Interconnection Service Agreement or initiated Dispute Resolution procedures pursuant to Section 13.5 of the LGIP, it shall be deemed to have withdrawn its Interconnection Request. Transmission Provider shall provide to Interconnection Customers a final Surplus Interconnection Service Agreement within fifteen (15) Business Days after the completion of the negotiation process.

3.4 Valid Interconnection Request

3.~~3~~4.1 Initiating an Interconnection Request

An Interconnection Customer wishing to join a Cluster shall submit its Interconnection Request to Transmission Provider within, and no later than close of the Cluster Request Window. To initiate an Interconnection Request, Interconnection Customer must submit all of the following: ~~(i) the initial~~

(i) applicable deposit ~~required~~amount, pursuant to Section 3.1~~,~~ ~~(ii)~~ ;

(ii) a completed application in the ~~forms~~form of Appendix 1 (including applicable technical information);

(iii) Site Control demonstration pursuant to Section 3.4.1(iii)(a) or (b) below;

a. Demonstration of actual Site Control. For demonstration of Site Control of Large Generating Facilities: Specifications for acceptable site size for the purposes of demonstrating Site Control are posted on Transmission Provider's OASIS website. Interconnection Customer may propose alternative specifications for site size to those posted on OASIS for Transmission Provider approval. In the event Transmission Provider and Interconnection Customer cannot reach agreement related to adequacy of site size, Transmission Provider will accept a Professional Engineer (licensed in the state of the Point of Interconnection) stamped site plan drawing that depicts the proposed generation arrangement and specifies the maximum facility output for that arrangement. Demonstration of Site Control for Small Generating Facilities shall be pursuant to Section 1.5 of Attachment N.

b. Posting of an additional deposit of $10,000 in lieu-of Site Control. Deposits paid pursuant to this Section 3.4.1(iii) shall be refunded to the Interconnection Customer upon Commercial Operation or upon withdrawal pursuant to Section 3.7, subject to applicable Withdrawal Penalties.

(iv) Generating Facility size (MW) (and requested Interconnection Service amount if the requested Interconnection Service is less than the Generating Facility Capacity);

(v) One of the following Readiness Milestone Options totaling the entire capacity of the Generating Facility (or requested

Interconnection Service amount if the requested Interconnection Service is less than the Generating Facility Capacity).

a. Executed term sheet (or comparable evidence) related to a contract for sale of (i) the constructed Generating Facility to a load-serving entity or to a commercial, industrial, or other large end-use customer, (ii) the Generating Facility's energy where the term of sale is not less than five (5) years, or (iii) the Generating Facility's ancillary services if the Generating Facility is an electric storage resource where the term of sale is not less than five (5) years;

b. Executed contract binding upon the parties for sale of (i) the constructed Generating Facility to a load-serving entity or to a commercial, industrial, or other large end-use customer, (ii) the Generating Facility's energy where the term of sale is not less than five (5) years, or (iii) the Generating Facility's ancillary services if the Generating Facility is an electric storage resource where the term of sale is not less than five (5) years;

c. Reasonable evidence that the Generating Facility has been selected in a Resource Plan or Resource Solicitation Process by or for a load-serving entity, is being developed by a load-serving entity, or is being developed for purposes of a sale to a commercial, industrial, or other large end-use customer;

~~a.~~d. A ~~to Appendix 1, and (iii) demonstration of Site Control or a posting of an additional deposit of $10,000. The initial deposit shall be applied toward any administrative costs and Interconnection Studies pursuant to the Interconnection Request. If Interconnection Customer demonstrates Site Control within fourteen (14) Calendar Days of submitting its Interconnection Request, the additional deposit shall be~~ refundable~~; otherwise, such additional deposit becomes~~

~~non-refundable.~~ deposit of $3,000 per MW of generating capacity proposed in the Interconnection Request; or

e. Site specific Purchase Order for generating equipment specific to the Interconnection Request, or statement signed by an officer or authorized agent of the Interconnection Customer attesting that the Generating Facility included is to be supplied with turbines with a manufacturer's blanket purchase agreement to which Interconnection Customer is a party. This blanket purchase agreement shall be provided to Transmission Provider.

(vi) A Point of Interconnection.

(vii) Whether the Interconnection Request shall be studied as a Network Resource Interconnection Service or an Energy Resource Interconnection Service, consistent with Section 3.2.

Interconnection Customer shall promptly inform Transmission Provider of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.1(iii) or its satisfaction of a Readiness Milestone Option as selected under Section 3.4.1(v) or Section 8.1, as applicable. Upon Transmission Provider determining separately that Interconnection Customer no longer satisfies Site Control or a Readiness Milestone Option, Transmission Provider shall give Interconnection Customer ten (10) Business Days to demonstrate satisfaction with the applicable requirement to Transmission Provider's satisfaction. Absent such demonstration, Transmission Provider will deem the subject Interconnection Request withdrawn.

The expected In-Service Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility shall be no more 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 In-Service Date may succeed the date ~~that~~ the Interconnection Request is received by Transmission Provider by a period up to ten (10) years or longer ~~but only in instances~~ where Interconnection Customer and Transmission Provider agree ~~in writing~~, such agreement not to be unreasonably withheld.

3.~~3~~4.2 Acknowledgment of Interconnection Request

Transmission Provider shall acknowledge receipt of the Interconnection Request within ~~ten (10~~five (5) Business Days of receipt of the request~~. Transmission Provider may or may not~~ and attach a copy of the received Interconnection Request to ~~its~~the acknowledgement ~~submitted to Interconnection Customer~~.

3.~~3~~4.3 Deficiencies in Interconnection Request

An Interconnection Request will not be considered to be a valid request until all items in Section 3.~~3~~4.1 have been received by Transmission Provider ~~and Transmission Provider has determined that such items meet the requisites for a valid request~~. If an Interconnection Request fails to meet the requirements set forth in Section 3.~~3~~4.1, Transmission Provider shall use Reasonable Efforts to notify Interconnection Customer ~~within ten (10) Business Days of receipt of~~as soon as practicable following 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 ~~and/or items~~ needed to constitute a valid request ~~within ten (10) Business Days after receipt of such notice. Failure by Interconnection Customer to comply with this Section 3.3.3 shall be treated as a withdrawal in accordance with Section 3.6.~~no later than the close of the Cluster Request Window. Notwithstanding any other provision in Transmission Provider□s Tariff, an Interconnection Request with any uncured deficiency at the time the Cluster Request Window closes will be deemed an invalid Interconnection Request. At any time, if Transmission Provider identifies issues with technical data provided by Interconnection Customer, Interconnection Customer and Transmission Provider shall work expeditiously and in good faith to remedy any data issues.

~~**3.3.4 Scoping Meeting**~~

~~Within twenty (20) Business Days after receipt of a valid Interconnection Request,~~ Transmission Provider shall ~~establish a date agreeable to Interconnection Customer for~~determine if the information contained in the Interconnection Request is sufficient to start the Cluster Study by the close of the Customer Engagement Window.

3.4.4 Scoping Meeting

During the Customer Engagement Window, Transmission Provider shall hold a Scoping Meeting~~, and such date shall be no later than thirty (30) Calendar Days from receipt of the~~ with all Interconnection Customers whose valid Interconnection Requests were received in that Cluster Request~~, unless otherwise mutually agreed upon by the Parties~~ Window. If requested by an Interconnection Customer, Transmission Provider shall also hold individual customer-specific Scoping Meetings, which must be requested no later than fifteen (15) Business Days after the close of the Cluster Request Window.

~~Subject to the confidentiality provisions set forth in Section 13.1, the~~The purpose of the Scoping Meeting shall be to discuss alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to discuss the Cluster Area materials posted to OASIS pursuant to Section 7.4, and to analyze such information ~~and to determine the potential feasible Points of Interconnection.~~ . Transmission Provider and Interconnection Customer shall 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, (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting, (vi) for wind or solar facilities, generation profile data, and (vii) if the Large Generating Facility is or, as a hybrid, includes solar photovoltaic technology, a completed Attachment A to Appendix 7. Transmission Provider and Interconnection Customer 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. ~~On the basis of the meeting, Interconnection Customer shall designate its Point of Interconnection pursuant to Section~~

~~_, and one or more available alternative Point(s) of Interconnection which will be studied pursuant to Section and only if a substitution of the designated Point of Interconnection is required.~~ The duration of the meeting shall be sufficient to accomplish its purpose.

3.4~~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 ~~and Commercial Operation 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 (combined cycle, base load or combustion turbine and fuel type); 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 or initiates Dispute Resolution pursuant to Section 13.5. Before holding a Scoping Meeting with any Affiliate, Transmission Provider shall post on OASIS an advance notice of its intent to do so. Transmission Provider ~~also~~ shall post to its OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports shall be posted to Transmission Provider's OASIS site subsequent to the meeting between Interconnection Customer and Transmission Provider ~~shall further~~to discuss the applicable study results. Transmission Provider shall also post any known deviations in the Large Generating Facility's In-Service Date.

~~3.5~~3.5.2 Requirement to Post Interconnection Study Metrics

Transmission Provider will maintain on its OASIS or its website summary statistics related to processing Interconnection Studies pursuant to Interconnection Requests, updated quarterly. If Transmission Provider

posts this information on its website, a link to the information must be provided on Transmission Provider's OASIS site. For each calendar quarter, Transmission Providers must calculate and post the information detailed in Sections 3.5.2.1 through 3.5.2.3.

3.5.2.1 Interconnection Cluster Study Processing Time.

(A) Number of Interconnection Requests that had Cluster Studies completed within Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Cluster Studies completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than one hundred fifty (150) Calendar Days after commencement of the Cluster Study,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Cluster Studies one hundred fifty (150) Calendar Days after commencement of the Cluster Study,

(D) Mean time (in days), Cluster Studies completed within Transmission Provider's coordinated region during the reporting quarter, from the commencement of the Cluster Study to the date when Transmission Provider provided the completed Cluster Study to the Interconnection Customer,

(E) Percentage of Cluster Studies exceeding one hundred fifty (150) Calendar Days to complete this reporting quarter, calculated as the sum of 3.5.2.1(B) plus 3.5.2.1(C) divided by the sum of 3.5.2.1(A) plus 3.5.2.1(C)).

3.5.2.2 Interconnection Facilities Studies Processing Time.

(A) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within

Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than (study duration depends on Interconnection Customer's selection on Facilities Study Agreement) after receipt by Transmission Provider of the Interconnection Customer's executed Interconnection Facilities Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Service requests with ongoing incomplete Interconnection Facilities Studies where such Interconnection Requests had executed Interconnection Facilities Studies Agreement received by Transmission Provider more than (study duration depends on Interconnection Customer's selection on Facilities Study Agreement) before the reporting quarter end,

(D) Mean time (in days), for Interconnection Facilities Studies completed within Transmission Provider's coordinated region during the reporting quarter, calculated from the date when Transmission Provider received the executed Interconnection Facilities Study Agreement to the date when Transmission Provider provided the completed Interconnection Facilities Study to the Interconnection Customer,

(E) Percentage of delayed Interconnection Facilities Studies this reporting quarter, calculated as the sum of 3.5.2.2(B) plus 3.5.2.2(C) divided by the sum of 3.5.2.2(A) plus 3.5.2.2(C)).

3.5.2.3 Interconnection Service Requests Withdrawn from Interconnection Queue.

(A) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter,

(B) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of any interconnection studies or execution of any interconnection study agreements,

(C) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of a Cluster Study,

(D) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of an Interconnection Facilities Study,

(E) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue after execution of a generator interconnection agreement,

(F) Mean time (in days), for all withdrawn Interconnection Requests, from the date when the request was determined to be valid to when Transmission Provider received the request to withdraw from the queue.

3.5.3 Transmission Provider is required to post on OASIS or its website the measures in paragraph 3.5.2.1(A) through paragraph 3.5.2.3(F) for each calendar quarter within 30 days of the end of the calendar quarter. Transmission Provider will keep the quarterly measures posted on OASIS or its website for three calendar years with the first required report to be in the first quarter of [___]. If Transmission Provider retains this information on its website, a link to the information must be provided on Transmission Provider's OASIS site.

3.5.4 In the event that any of the values calculated in paragraphs 3.5.2.1(E) or 3.5.2.2(E) exceeds 25 percent for two consecutive calendar quarters, Transmission Provider will have to comply with the measures below for the next four consecutive calendar quarters and must continue reporting this information until Transmission Provider reports four consecutive calendar quarters without the values calculated in 3.5.2.1(E) or 3.5.2.2(E) exceeding 25 percent for two consecutive calendar quarters:

(i) Transmission Provider must submit a report to the Commission describing the reason for each study or group of clustered studies pursuant to an Interconnection Request that exceeded its deadline (i.e., 150, 90 or 180 days) for completion (excluding any allowance for Reasonable Efforts). Transmission Provider must describe the reasons for each study delay and any steps taken to remedy these specific issues and, if applicable, prevent such delays in the future. The report must be filed at the Commission within 45 days of the end of the calendar quarter.

(ii) Transmission Provider shall aggregate the total number of employee-hours and third party consultant hours expended towards interconnection studies within its coordinated region that quarter and post on OASIS or its website. If Transmission Provider posts this information on its website, a link to the information must be provided on Transmission Provider's OASIS site. This information is to be posted within 30 days of the end of the calendar quarter.

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 and, if possible, include those results (if available) in its applicable Interconnection Study ~~report~~ within the time frame specified in this LGIP. Transmission Provider will include such Affected System Operators in all meetings held with Interconnection Customer as required by this LGIP. Interconnection Customer will cooperate with Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A transmission provider which may be an Affected System shall cooperate with Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems. It is the responsibility of the Affected System

Owner to 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 (i) complete any interconnection studies and (ii) construct any necessary Interconnection Facilities and Network Upgrades needed to reliably interconnect at the requested service level.

3.~~6~~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 action 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~~.~~, including any placement in a particular Cluster. If an Interconnection Customer ~~timely~~ disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, Interconnection Customer's Interconnection Request is eliminated from the queue ~~if and~~ until such time that the outcome of ~~the~~ Dispute Resolution would restore its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall ~~be responsible~~pay to Transmission Provider ~~for~~ all costs that Transmission Provider prudently incurs with respect to that Interconnection Request ~~and such costs shall be deducted from Interconnection Customer's initial deposit or, alternatively, if the remaining balance of the initial deposit is insufficient within ten (10) Calendar Days from the date of its~~ prior to Transmission Provider's receipt of notice described above. Interconnection Customer must pay ~~or must be deemed to have paid~~ all monies due to Transmission Provider before it is allowed to obtain any Interconnection Study data~~, report~~ or results.

In the case of a withdrawal, Transmission Provider shall:

(i) update ~~the~~ OASIS as appropriate, including any Queue Position ~~posting and~~ changes;

(ii) impose the applicable Withdrawal Penalty described in Section 3.7.1, if any; and

(iii) issue any refund to Interconnection Customer ~~any portion of Interconnection Customer's initial deposit or study payments that exceed the costs that Transmission Provider has incurred in accordance with Section 3.1.~~ pursuant to Section 13.3.2.

In the event of such withdrawal, Transmission Provider, subject to the confidentiality provisions of Section 13.1, shall provide, at Interconnection ~~Customer's~~Customer's request, all information that Transmission Provider developed for any completed study conducted up to the date of withdrawal of the Interconnection Request ~~upon the conditions set forth in this Section 3.6~~.

3.7.1 Withdrawal Penalty. Except as provided in Attachment M-1 of Transmission Provider's Tariff, an Interconnection Customer shall be subject to a penalty ("Withdrawal Penalty") if it withdraws its Interconnection Request or the Generating Facility does not otherwise reach Commercial Operation unless (1) the withdrawal does not negatively affect the timing or cost of other projects within the same Cluster as determined by Transmission Provider; (2) the Interconnection Customer withdraws after receiving the most recent Cluster Study Report and the costs assigned to the Interconnection Request identified in that report have increased by more than twenty-five percent (25%) compared to costs identified in the previous Cluster Study Report; (3) the Interconnection Customer withdraws after receiving the individual Facilities Study report and the costs assigned to the Interconnection Request identified in that report have increased by more than 100 percent compared to costs identified in the most recent Cluster Study Report. For the avoidance of doubt, Small Generating Facilities participating in the Cluster Study process pursuant to Section 7 shall not be subject to Withdrawal Penalties.

3.7.1.1 Calculation of the Withdrawal Penalty. If the withdrawing Interconnection Customer has demonstrated any of the Readiness Milestone Options in Sections 3.4.1(v)(a) – (c) or 3.4.1(v)(e), and is withdrawing prior to executing an LGIA, the Interconnection Customer shall be charged one (1) times its actual allocated cost of all studies performed up until that point.

If the withdrawing Interconnection Customer only demonstrated the Readiness Milestone Option in Section 3.4.1(v)(d) and is withdrawing prior to executing an LGIA, that Interconnection Customer's Withdrawal Penalty shall be as follows:

(a) If Interconnection Customer withdraws either (i) following commencement of the Cluster Study and before receipt of a Cluster Study Report, or (ii) after receipt of a Cluster Study Report, the Interconnection Customer shall be charged two (2) times of its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point, regardless of any previous Withdrawal Penalty revenues received. This amount shall be capped at one (1) million dollars.

(b) If Interconnection Customer withdraws after receipt of any applicable restudy reports issued pursuant to Section 7.4, the Interconnection Customer shall be charged three (3) times of its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point, regardless of any previous Withdrawal Penalty revenues received. This amount shall be capped at one and one half (1.5) million dollars.

(c) If Interconnection Customer withdraws after receipt of the individual Facility Study report issued pursuant to Section 8, the Interconnection Customer shall be charged five (5) times of its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point, regardless of any previous Withdrawal Penalty revenues received. This amount shall be capped at two (2) million dollars.

The Withdrawal Penalty for any Interconnection Customer that, before achieving Commercial Operation, withdraws after executing an LGIA shall be nine (9) times of its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point, regardless of any previous Withdrawal

Penalty revenues received. In the event that the Interconnection Customer suspends its interconnection agreement, the Interconnection Customer shall be obligated to pay for costs associated with any studies or restudies required as a result of the suspension of the interconnection agreement, including any restudies associated with any affected lower-queued customers.

3.7.1.2 Distribution of the Withdrawal Penalty.
Any Withdrawal Penalty revenues shall be used to fund generation interconnection studies, including individual Interconnection Facility Studies. Withdrawal Penalty revenues shall first be applied, in the form of a bill credit, to not-yet-invoiced study costs for other Interconnection Customers in the same Cluster, and to the extent that such studies are fully credited, shall be applied to study costs of future Clusters in queue order. Withdrawn Interconnection Customers shall not receive a bill credit associated with Withdrawal Penalty revenues. Distribution of Withdrawal Penalty revenues to a specific study shall not exceed the total actual study costs. Allocation of Withdrawal Penalty revenues within a Cluster to a specific Interconnection Customer shall be (1) fifty percent (50%) on a per capita basis based on number of Interconnection Requests in the applicable Cluster; and (2) fifty percent (50%) to Interconnection Customers on a pro-rata basis based on requested megawatts included in the applicable Cluster. Distribution of Withdrawal Penalty revenue associated with Section 3.7.1.1(c) shall not be distributed to the remaining Interconnection Customers in that Cluster until all Interconnection Customers in that Cluster have reached Commercial Operation and thereafter shall be distributed as described above. Transmission Provider shall not change the distribution of Withdrawal Penalty revenue without authorization by the Commission. Transmission Provider shall post the Withdrawal Penalty balance on its OASIS site.

3.8 Identification of Contingent Facilities.

Transmission Provider shall post in this section a method for identifying the Contingent Facilities to be provided to Interconnection Customer at the conclusion of the Cluster Study and included in Interconnection Customer's Large Generator Interconnection Agreement. The method shall be sufficiently

transparent to determine why a specific Contingent Facility was identified and how it relates to the Interconnection Request. Transmission Provider shall also provide, upon request of the Interconnection Customer, the estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time of each identified Contingent Facility when this information is readily available and not commercially sensitive.

As part of the Cluster Study, the Transmission Provider shall identify, Contingent Facilities using the following methods:

(1) Review all additions, modifications, and upgrades to the Transmission Provider's Transmission System that are part of the Transmission Provider's transmission expansion plan, and facilities identified as Network Upgrades through the Interconnection System Impact Studies for higher queued Interconnection Requests that are not yet in service. Contingent Facilities shall be identified from this list of facilities that meet the following criteria:

a. Power Transfer Distribution Factor or Outage Transfer Distribution Factor ≥5% OR;
b. MVA impact (Power Transfer Distribution Factor or Outage Transfer Distribution Factor multiplied by generator output of the Interconnection Request) ≥5MVA, OR;
c. MVA impact (Power Transfer Distribution Factor or Outage Transfer Distribution Factor multiplied by generator output of the Interconnection Request) ≥1% of the facility rating.

(2) Coordination with applicable Affected System parties to determine what Contingent Facilities have been identified through Affected System studies based on their respective criteria.

The Contingent Facilities identified for a given Interconnection Request are the total of all facilities through each of the foregoing methods. The Interconnection Customer will be provided a list of all Contingent Facilities identified at the conclusion of the Cluster Study. This list of Contingent Facilities will also be included in the Interconnection Customer's LGIA. The Transmission Provider shall also provide, upon request of the Interconnection Customer, the estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time of each identified Contingent Facility when this information is readily available and not commercially sensitive.

3.9 Informational Interconnection Study Requests.

Interconnection Customers evaluating different options (such as different sizes, sites, or voltages) are encouraged but not required to use the Informational Interconnection Study Process in Section 6 before entering the Cluster Study process.

Section 4. Queue Position

4.1 General

Once an Interconnection Customer has submitted a valid Interconnection Request pursuant to Section 3.4, such Interconnection Request shall be admitted into Transmission Provider's queue for further processing pursuant to the following procedures contained in this Section 4.

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 ~~the valid Interconnection Request; provided that, if the sole reason an Interconnection Request is not valid is the lack of required information on the application form, and Interconnection Customer provides such information in accordance with Section 3.3.3, then Transmission Provider shall assign Interconnection Customer a Queue Position based on the date the application form was originally filed.~~ all items required pursuant to the provisions of Section 3.4. There is no queue for Informational Interconnection Studies.

~~Any change in the Point of Interconnection shall result in a lowering of~~

4.1.2 Higher Queue Position ~~if it is deemed a Material Modification under Section 4.4.3.~~

~~The~~. A higher Queue Position ~~of each Interconnection Request will be used~~assigned to ~~determine the order of performing the Interconnection Studies and determination of cost responsibility for the facilities necessary to accommodate the Interconnection Request. A higher queued~~an Interconnection Request is one that has been placed "earlier" in the queue in relation to another Interconnection Request that is ~~lower queued~~assigned a lower Queue Position. All requests studied in a single Cluster shall be considered equally queued but Clusters initiated earlier in time shall be considered to have a higher Queue Position than Clusters initiated later. The Queue Position of an Interconnection

Request shall have no bearing on the allocation of the cost of the common upgrades identified in the applicable Cluster Study (such costs will be allocated among Interconnection Requests in accordance with Section 4.2.3). Moving a Point of Interconnection shall result in a loss of Queue Position if it is deemed a Material Modification under Section 4.4.3.

~~Transmission Provider may allocate the cost of the common upgrades for clustered Interconnection Requests without regard to Queue Position.~~

4.2 ~~Clustering~~

~~At Transmission Provider's option, Interconnection Requests may be studied serially or in clusters for the purpose of the Interconnection System Impact~~General Study~~.~~ Process

~~Clustering shall be implemented on the basis of Queue Position. If Transmission Provider elects to study Interconnection Requests using Clustering, all Interconnection Requests received within a period not to exceed one hundred and eighty (180) Calendar Days, hereinafter referred to as the "Queue Cluster Window" shall be studied together without regard to the nature of the underlying Interconnection Service, whether Energy Resource Interconnection Service or Network Resource Interconnection Service. The deadline for completing all Interconnection System Impact Studies for which an Interconnection System Impact Study Agreement has been executed during a Queue Cluster Window shall be in accordance with Section 7.4, for all Interconnection Requests assigned to the same Queue Cluster Window. Transmission Provider may study an Interconnection Request separately to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Large Generating Facility.~~

~~Clustering Interconnection System Impact Studies~~Cluster Studies performed within the Interconnection 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.

~~The Queue~~ **4.2.1 Cluster ~~Window~~Request Windows.**

Transmission Provider shall ~~have a fixed time interval~~accept Interconnection Requests during a forty-five (45) Calendar Day period, hereinafter referred to as the "Cluster Request Window." The initial Cluster Request Window shall open for Interconnection Requests beginning April 1 following commencement of the transition process set out in Attachment M-1 to this Tariff and successive Cluster Request Windows shall open annually every April 1 thereafter.

4.2.2 Pre-Study Cost and Study Cost Allocation.

Transmission Provider shall determine each Interconnection Customer's share of the costs of a Cluster Study by allocating: (1) fifty percent (50%) of the applicable study costs to Interconnection Customers on a per capita basis based on ~~fixed annual opening and closing dates.~~ 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 requested megawatts included in the applicable Cluster. For example, the cost of a Cluster Study consisting of a 100 MW request and a 900 MW request would be allocated 30% to the 100 MW request and 70% to the 900 MW request. Costs incurred by Transmission Provider in preparation for the
Cluster Study but before commencement of Cluster Study shall be similarly calculated and allocated.

Any ~~changes to the established Queue Cluster Window interval and opening or closing dates shall be announced~~refunds of deposits paid in excess of Interconnection Customer costs allocated pursuant to this Section 4.2.2 shall be issued in accordance with ~~a posting on~~ Section 13.3.

4.2.3 Transmission Provider's ~~OASIS beginning~~ Interconnection Facilities and Network Upgrade Cost Allocation.

Notwithstanding Section 3.1, for Transmission Provider's Interconnection Facilities and Network Upgrades identified in Cluster Studies, Transmission Provider shall calculate each Interconnection Customer's share of costs in the manner set forth below. If a Cluster Study includes one or more Cluster Areas, such costs shall be calculated and allocated among Interconnection Customers within the same Cluster Area. If the same Network Upgrade is identified in the study of more than one Cluster Area, such Network Upgrade will be allocated to Interconnection Customers in all affected Cluster Areas in the proportional

manner provided in Section 4.2.3(b). Interconnection Customer shall be responsible for funding the costs of any facilities identified by Transmission Provider in such Interconnection Customer's individual Facilities Study report.

a) Station equipment Network Upgrades, including all switching stations, shall be allocated based on the number of Generating Facilities interconnecting at ~~least one hundred and eighty (180) Calendar Days in advance of the change and continuing thereafter~~an individual station on a per capita basis (i.e. on a per Interconnection Request basis). If multiple Interconnection Customers are connecting to the Transmission Provider's System through ~~the end date of the first Queue Cluster Window~~a single Interconnection Customer's Interconnection Facility (i.e. sharing the Interconnection Customer's Interconnection Facility connecting to the Transmission Provider's Interconnection Facility(ies)), those Interconnection Customers shall be considered one Interconnection Customer for the per capita calculation described in the preceding sentence. Shared Transmission Provider's Interconnection Facilities shall be allocated based on the number of Generating Facilities sharing that ~~is to be modified~~Transmission Provider's Interconnection Facility on a per capita basis.

b) The funding responsibility for Network Upgrades other than those identified in Section 4.2.3(a) shall be as follows: Interconnection Customers within a Cluster Study that have requested Energy Resource Interconnection Service shall bear their allocable share of the cost of Network Upgrades necessary to provide such service. Interconnection Customers within a Cluster Study that have requested Network Resource Interconnection Service shall bear their allocable share of the cost of Network Upgrades necessary to provide such service. Such allocation shall be based on the proportional capacity of each individual Generating Facility in the Cluster Studies requiring such Network Upgrades in accordance with the iterative process provided in Section 7.3.

c) Costs of Transmission Provider's Interconnection Facilities are directly assigned to the Interconnection Customer(s) using such facilities.

~~a)~~d) Notwithstanding any other provision of this Section 4.2.3, no Interconnection Customer shall be responsible for any Network Upgrade costs identified pursuant to this Section if such Interconnection

Customer's Interconnection Request individually represents one (1) percent or less of the total requested megawatts included in the applicable Cluster.

4.3 Transferability of Queue Position

~~A Queue Position can be transferred only once. Such transfer is valid only if: (i) the entity assuming the Queue Position from the original~~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~~; (ii)~~ and the Point of Interconnection does not change~~; (iii) no Material~~ .

4.4 Modifications~~ are requested; and (iv) such entity acknowledges in writing that this LGIP controls, it is bound by all terms and conditions of any agreement executed between Transmission Provider and original Interconnection Customer, and the interconnection request remains subject to all study results previously issued by or on behalf of Transmission Provider.~~

~~Transmission Provider will not treat any corporate restructure, merger or acquisition as a transfer of the Interconnection Customer's Queue Position; provided that, Interconnection Customer provides sufficient proof to the Transmission Provider of such corporate restructure, merger or acquisition. If the Interconnection Customer fails to validate its corporate restructure, merger or acquisition within sixty (60) Calendar Days of the Transmission Provider's request for such proof, the change in entity will be treated as a transfer subject to the requirements of this Section 4.3.~~

~~**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 ~~permitted within the scope of~~in accordance with Sections 4.4.1, 4.4.2 ~~or~~, 4.4.5, or

4.4.6, or are determined ~~by Transmission Provider~~ not to be Material Modifications pursuant to Section 4.4.3.

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~~ Subject to the forgoing sentence, and provided, however, they do not result in a Material Modification, to the extent the identified changes are acceptable to Transmission Provider and Interconnection Customer and potentially impacted Interconnection Customers in the same Cluster, such acceptance not to be unreasonably withheld, Transmission Provider shall modify the Point of Interconnection and/or configuration in accordance with such changes and proceed with any re-studies necessary to do so in accordance with Section 7.~~6 and Section 8.5~~5(f) as applicable and Interconnection Customer shall retain its Queue Position.

4.4.1 Prior to ~~**Interconnection System Impact Study Agreement Prior to**~~ the return of the executed ~~**Interconnection System Impact**~~Cluster Study Agreement to Transmission Provider, modifications permitted under this Section shall include specifically: (a) a decrease of up to 60 percent 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) 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 ~~**to**~~in the ~~**end of the queue**~~next Cluster Study Window for the purposes of cost allocation and study analysis.

4.4.2 Prior to ~~**Interconnection Facilities Study Agreement Prior to**~~ the return of the executed Interconnection ~~**Facilities**~~Facility Study Agreement to Transmission Provider, the modifications permitted under this Section shall include specifically: (a) additional 15 percent decrease of electrical output ~~**(MW), and**~~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 specifies a separate technological change procedure including the requisite information and process that will be followed to assess whether the Interconnection Customer's proposed technological advancement under Section 4.4.2(c) is a Material Modification. Section 1 contains a definition of Permissible Technological Advancement.

4.4.3 ~~**Material Modifications**~~

Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.2, and 4.4.~~5~~6, Interconnection Customer may first request that Transmission Provider evaluate whether such modification is a Material Modification. 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. Any change to the Point of Interconnection, except those ~~**expressly**~~ deemed ~~**permissible**~~acceptable under Sections ~~**4.4, 6**~~3.1, ~~**and 7.2**~~4.4.1, 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 ~~**in accordance with Section 4.4.3.1**~~.

4.4.~~3.1 Withdrawal or New Interconnection Request~~

~~Any and all Material Modifications to an existing Interconnection Request shall require a new Interconnection Request.~~

~~Interconnection Customer will be required to submit a new request which incorporates the Material Modification and satisfies the requirements of Section 3. If Interconnection Customer fails to withdraw the proposed modification that results in a Material Modification within thirty (30) Calendar Days of Transmission Provider's notification, then the provisions of Section 3.6 shall be invoked.~~

4 ~~.4.4 Studies for Permitted Modifications~~

Upon receipt of Interconnection Customer's request for ~~any~~ modification ~~expressly~~ permitted under this Section 4.4, Transmission Provider shall commence and perform any necessary additional studies as soon as practicable, ~~which~~but in no event shall Transmission Provider ~~will make Reasonable Efforts to~~ commence such studies ~~no~~ later than 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.

4.4.5 ~~Extension of Commercial Operation Date~~

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. For purposes of this Section, the Commercial Operation Date reflected in the initial Interconnection Request shall be used. Such cumulative extensions are inclusive of extensions requested after execution of the LGIA by Interconnection Customer.

4.4.6 ~~No Advancement~~ Technological Change Procedures

Prior to the return of ~~Commercial Operation Date~~the executed Facilities Study Agreement to the Transmission Provider, the Interconnection Customer may submit a technological advancement request to the Transmission Provider. Permissible Technological Advancements may include advancements to turbines, inverters, plant supervisory controls, or other technological advancements that may enhance a generating facility's ability to provide ancillary services, but do not include changes in generation technological or fuel type (include the energy source behind an inverter). Any changes to electrical output (MW) must adhere to LGIP Sections 4.4.1 and 4.4.2.

~~Under no circumstances will the Transmission Provider permit~~
In order to have a completed technological advancement request, the Interconnection Customer ~~to change the Commercial Operation Date to a date that is earlier in time than the date specified in~~ shall submit:

(1) A written technological advancement request, specifying the change in technological the Interconnection ~~Request application.~~Customer seeks;

~~**4.5 Denial of Interconnection Request for Adverse System Impact**~~

(2) Analysis that demonstrates how the incorporation of the proposed technological advancement would (i) result in electrical performance that is equal to or better than the electrical performance expected prior to the technological change, and (ii) not cause any reliability concerns;

(3) A revised Appendix 1 to LGIP Interconnection Request for a Large Generating Facility with revised technical data, including modeling data, associated with the technological advancement being requested, and any other data deemed necessary by the Transmission Provider ~~reserves~~to determine if the ~~right to deny~~technological advancement request is a Material Modification; and

(4) Any required deposit.

If the difference between the Initial Deposit submitted as per Section 3.4.1, less any part of that Deposit deemed nonrefundable as per Section 3.4.1, is $10,000 or greater, the Interconnection ~~Request and release a Queue Position in the unique circumstance where an~~Customer will not be required to tender a deposit for additional studies to evaluate the technological advancement request. If the difference between the Initial Deposit submitted as per Section 3.4.1, less any part of that Deposit deemed nonrefundable as per Section 3.4.1, is less than $10,000, the Interconnection Customer shall tender a deposit to the amount of $10,000 to the Transmission Provider to evaluate the technological advancement request. The Obligation of Study ~~determines that~~ Costs shall be in accordance with LGIP Section 13.3.

Upon receipt by the Transmission Provider of a completed technological advancement request from the Interconnection ~~will create an Adverse System Impact on facilities or systems for which no substitute or alternative Point(s) of~~ Customer, the Transmission Provider will evaluate the technological advancement request to determine whether the technological advancement request is a Permissible Technological Advancement or if it necessitates the performance of additional analyses and/or studies. If the technological advancement request has no effect on electrical parameters or performance, the technological advancement request will not be considered a Material Modification and will be deemed a Permissible Technological Advancement.

If the Transmission Provider determines that additional analyses and/or studies are required, Transmission Provider's studies may include steady-state, reactive power, short circuit, stability analysis and any other appropriate studies that the Transmission Provider deems necessary based on the Transmission Provider's engineering judgment. These additional studies and/or analyses will determine whether the technological advancements result in electrical performance that is equal to or better than the electrical performance expected prior to the technological advancement request and be deemed a Permissible Technological Advancement, or if the technological advancement is deemed a Material Modification.

If the Transmission Provider determines that the technological advancement request results in a Material Modification, the Interconnection ~~or any proposed addition, modification or upgrade adequately resolves the Adverse System Impact.~~Customer will be so notified and an explanation will be provided. The Transmission Provider shall determine whether or not a technological advancement request is a Material Modification within thirty (30) Calendar Days after the receipt of the initial completed technological advancement request, unless otherwise agreed upon by the Transmission Provider and the Interconnection Customer.

~~**Section 5. Procedures for Interconnection Requests Submitted Prior to Effective Date of Large Generator Interconnection Procedures**~~

~~**5.1 Queue Position for Pending Requests**~~

~~**5.1.1**~~ ~~Any~~ If the technological advancement request is deemed a Material Modification, the Interconnection Customer ~~assigned a Queue Position prior to the effective date of this LGIP shall retain that Queue Position.~~

~~**5.1.1.1** If any Interconnection Study Agreement has not been executed as of the effective date of this LGIP, then such relevant Interconnection Study, and any subsequent Interconnection Studies, shall be processed in accordance~~may either proceed with ~~this LGIP.~~

~~**5.1.1.2** If an Interconnection Study Agreement has been executed prior to~~ the ~~effective date of this LGIP, such Interconnection Study shall be completed in accordance with the terms of such agreement. With respect to any remaining studies for~~previously provided data, or submit a new application, which ~~an Interconnection Customer has not signed an Interconnection Study Agreement prior to the effective date of this LGIP, Interconnection Customer's Interconnection Request and all future Interconnection Studies shall be processed and performed pursuant to the terms and conditions of this LGIP~~will receive a new queue position.

~~**5.1.1.3** Within ninety (90) Calendar Days of the date that this LGIP takes effect, all Interconnection Customers with a valid Interconnection Request preceding the effective date of this LGIP shall submit to Transmission Provider the initial deposit of $250,000 required in Section 3.1 of this LGIP~~ less ~~any deposit and costs invoiced by Transmission Provider under the terms of the former LGIP and any former or pending Interconnection Study Agreement executed by the Parties.~~

Section 5. New Transmission Provider

5.1 Reserved.

5.2 New Transmission Provider

If Transmission Provider transfers control of its Transmission System~~, in whole or in part,~~ to a successor Transmission Provider during the period when an Interconnection Request is pending ~~and affected by such transfer~~, the original Transmission Provider shall transfer to the successor Transmission Provider any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. ~~Any remaining~~ Any difference between such net amount and the deposit or payment required by this LGIP shall be ~~assigned~~paid by or refunded to the ~~successor Transmission Provider~~Interconnection Customer, as appropriate. The original Transmission Provider shall coordinate with the successor Transmission Provider to complete any Interconnection Study, as appropriate, that the original Transmission Provider has begun but has not completed. If ~~the original~~ Transmission Provider has tendered a draft LGIA to Interconnection Customer but Interconnection Customer has ~~neither~~not either executed the LGIA nor initiated Dispute Resolution pursuant to Section 13.5, Interconnection Customer must complete negotiations with the successor Transmission Provider ~~unless mutually agreed otherwise~~.

~~**Section 6. Reserved**~~

~~**Section 7.**~~**Section 6. Informational Interconnection ~~System Impact~~ Study**

~~**7**~~**6.1 Informational Interconnection ~~System Impact~~ Study ~~Agreement~~Request**

~~Simultaneously with the acknowledgement of a valid~~ Interconnection ~~Request, Transmission Provider shall provide to~~ Customers may not submit requests for Informational Interconnection Studies until after the Transition Readiness Deadline, as defined in Attachment M-1. Thereafter, at any time prior to submission of an Interconnection Request, an Interconnection Customer ~~with a draft Interconnection System Impact Study Agreement in the form of Appendix 3 for the Interconnection Customer's review~~may request, and ~~consideration. The draft~~Transmission Provider (either itself or through a consultant) shall perform a reasonable number of Informational Interconnection ~~System Impact Study Agreement shall specify~~ Studies pursuant to the terms of Section 6.

Interconnection Customer shall submit to Transmission Provider an Informational Interconnection Study Request in the form of Appendix 2 to this LGIP and shall

describe the assumptions that Interconnection Customer ~~is responsible for the actual cost of the Interconnection System Impact Study and that the Transmission Provider will draw on the Interconnection Customer's deposit, as provided for in Section 3.1, to perform the study.~~

~~Within five (5) Business Days following the Scoping Meeting, Interconnection Customer shall complete and submit Attachment A to Appendix 3 to~~ wishes Transmission Provider to ~~specify~~study within the ~~designated~~scope described in Section 6.3, including a proposed Point(s) of Interconnection and any reasonable alternative Point(s) of Interconnection. ~~The Transmission Provider shall make Reasonable Efforts, within five (5) Business Days following Transmission Provider's receipt of such designation and any reasonable alternative Point(s) of Interconnection, to execute and tender to~~

At the time the Informational Interconnection Study Request is submitted, Interconnection Customer ~~the~~ must request either Energy Resource Interconnection Service or Network Resource Interconnection ~~System Impact Study Agreement, which includes a good faith estimate~~Service, as described in Section 3.4.1; provided, however, any Interconnection Customer requesting an Informational Interconnection Study for Network Resource Interconnection Service may also request that it be concurrently studied for Energy Resource Interconnection Service.

Interconnection Customer must submit a deposit with each Informational Interconnection Request even when more than one request is submitted for a single site. An Informational Interconnection Request to evaluate one site at two different voltage levels shall be treated as two Informational Interconnection Requests.

At the request of ~~the cost for completing~~either the Interconnection ~~System Impact Study. If~~Customer or Transmission Provider ~~cannot execute~~, Transmission Provider and ~~tender such an agreement within this~~Interconnection Customer will schedule a scoping meeting at a mutually agreed-upon time ~~frame~~.

6.2 Informational Interconnection Study Agreement

Within five (5) Business Days after receipt of a request for an Informational Interconnection Study, Transmission Provider shall provide to Interconnection Customer an ~~estimated date for such execution and tendering along with an~~

~~explanation of the reasons why additional time is required. Interconnection Customer shall execute and deliver to Transmission Provider the Interconnection System Impact Study Agreement no later than thirty (30) Calendar Days after it receives the agreement from the Transmission Provider, subject to Section 3.6~~Informational Interconnection Study Agreement in the form of Appendix 2A.

~~Concurrently with or before the~~ The Informational Interconnection ~~Customer's execution and return~~Study Agreement shall: (i) include the scope of work for the Informational Interconnection ~~System Impact Study Agreement to~~ Study, subject to other requirements in Section 6.3, (ii) specify the technical data that Interconnection Customer must provide, (iii) specify the Informational Interconnection Study case and assumptions, and (iv) identify the Transmission Provider's estimate of the cost of the Informational Interconnection Study. Notwithstanding the above, Transmission Provider~~, Interconnection Customer shall provide the technical data called for in Appendix 3, Attachment A.~~

~~If the Interconnection System Impact Study uncovers any unexpected~~ shall not be required as a result~~(s) not contemplated during the Scoping Meeting, a substitute Point of Interconnection identified by either~~ of an Informational Interconnection ~~Customer or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of~~ Study request to conduct any additional Interconnection ~~specified above without loss of Queue Position, and re-studies shall be completed pursuant to Section 7.6 as applicable. For the purpose of this Section 7.1, if Transmission Provider and~~Studies with respect to any other Interconnection ~~Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer, in accordance with Section 3.3.4, may direct that one of the alternative Point(s) of Interconnection specified in the Interconnection System Impact Study Agreement shall be the substitute~~Request.

~~The Transmission Provider will draw upon the Interconnection Customer's initial deposit to perform the study. In the event that the initial deposit is not sufficient to cover the actual costs of the Interconnection System Impact Study, including any costs incurred for re-studying the system impact of the project in accordance with Section 7.6, the Transmission Provider shall invoice Interconnection Customer for the good faith estimate to complete the study and/or re-study. Interconnection Customer shall submit payment no later than fifteen (15) Calendar Days of its receipt of the invoice. If Transmission Provider does not receive payment for the estimated balance from Interconnection Customer within the time required above, Transmission Provider shall provide written notice in~~

~~accordance with Section 3.6 and the Interconnection Customer shall be bound by the terms and time requirements in Section 3.6 to cure non-payment.~~

~~**7.2 Execution of Interconnection System Impact Study Agreement**~~

Interconnection Customer shall execute the Informational Interconnection ~~Customer shall execute the Interconnection System Impact~~ Study Agreement ~~and deliver the executed Interconnection System Impact Study Agreement to Transmission Provider no later than thirty (30) Calendar Days after its receipt, along with demonstration of Site Control or the additional posting of a $50,000 deposit which shall be refundable without interest if and when Interconnection Customer demonstrates Site Control or withdraws its application.~~

~~If Interconnection Customer does not provide all required technical data when it delivers the Interconnection System Impact Study Agreement, Transmission Provider shall make Reasonable Efforts to notify Interconnection Customer of the deficiency. Upon its receipt of the notice of deficiency from Transmission Provider, 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~~ an agreed upon scope of work and deliver the ~~executed~~Informational Interconnection ~~System Impact~~ Study Agreement ~~or~~, the technical data, and a $10,000 study deposit to Transmission Provider. Interconnection Customer shall be responsible for actual study costs.

~~If the Interconnection System Impact Study report uncovers any unexpected result(s) not contemplated during the Scoping Meeting, a substitute Point of Interconnection identified by either Interconnection Customer or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and restudies shall be completed pursuant to Section 7.6 as applicable. For the purpose of this Section 7.2, if Transmission Provider and Interconnection Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer, in accordance with Section 3.3.4, may direct Transmission Provider to consider and study one of the alternative Point(s) of Interconnection specified in Attachment A to Appendix 3 as a substitute Point of Interconnection.~~

~~**7.3 Scope of Interconnection System Impact Study**~~

~~The Interconnection System Impact Study shall evaluate the impact of the proposed~~

6.3 Scope of Informational Interconnection Study

The intent of the Informational Interconnection Study is to aid Interconnection Customer in its business decisions related to interconnection ~~on the reliability~~ of ~~the Transmission System. The~~ generation facilities prior to submitting an Interconnection ~~System Impact~~Request. The Informational Interconnection 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 Informational Interconnection ~~System Impact~~ 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 ~~or have initiated Dispute Resolution pursuant to Section 13.5.~~. The Informational Interconnection Study will consist of a power flow and short circuit analysis.

~~The~~ To the extent possible, the Informational Interconnection Study shall identify the potential Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide Interconnection Service based upon the results and assumptions of the Informational Interconnection Study.

The Informational Interconnection Study shall be performed solely for informational purposes and does not bind the Transmission Provider in any way or entitle the requesting Interconnection Customer to a Queue Position. Interconnection Customer requesting an Informational Interconnection Study shall not be assigned any cost responsibility for Network Upgrades. For the avoidance of doubt, neither the request for nor the performance of an Informational Interconnection Study shall be considered an Interconnection Request.

6.4 Informational Interconnection Study Procedures

The executed Informational Interconnection Study Agreement, the deposit, 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 Informational Interconnection Study Agreement. Transmission Provider shall use Reasonable Efforts to complete the Informational Interconnection Study within a mutually agreed upon time period specified within the Informational Interconnection Study Agreement. This time period shall take into account all previous requests for Informational Studies that have been submitted but not yet completed. If Transmission Provider is unable to complete the Informational 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 work papers and databases or data developed in the preparation of the Informational Interconnection Study, subject to confidentiality arrangements consistent with Section 13.1.

Section 7. Cluster Study

7.1 Cluster Study Agreement

No later than five (5) 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 3 to this LGIP. The Cluster Study Agreement shall require the Interconnection Customer to compensate Transmission Provider for the actual cost of the Cluster Study. The specifications, assumptions, or other provisions in the appendices of the Cluster Study Agreement provided pursuant to this Section 7.1 shall be subject to change by Transmission Provider following conclusion of the Scoping Meeting.

7.2 Customer Engagement Window

Upon the close of each Cluster Request Window, Transmission Provider will open a thirty (30) 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 sentence and upon written consent of all Interconnection Customers

within a specific Cluster, Transmission Provider may shorten the Customer Engagement Window in order to start the Cluster Study earlier. Within the first ten (10) Business Days following the close of the Cluster Request Window, Transmission Provider shall post on its OASIS site a list of Interconnection Requests for that Cluster. The list shall identify, for each Interconnection Request: (i) the requested amount of Interconnection Service; (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 type of Interconnection Service requested; (vi) the type of Generating Facility to be constructed including fuel type such as wind, natural gas, coal, or solar; and (vii) the Cluster Area assigned to each Interconnection Request. During the Customer Engagement Window, Transmission Provider will provide to Interconnection Customer a non-binding updated good faith estimate of the cost and timeframe for completing the Cluster Study.

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 3 shall be included in that Cluster Study. Any Interconnection Requests not deemed valid or undergoing Dispute Resolution at the close of the Customer Engagement Window shall not be included in that Cluster. Immediately following the Customer Engagement Window, Transmission Provider shall initiate the Cluster Study described in more detail in Section 7.

7.3 Execution of Cluster Study Agreement and Scope of Cluster Study

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.

The Cluster Study shall evaluate the impact of the proposed interconnection on the reliability of the Transmission System ~~Impact Study will~~ . 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 Request Window closes:

(i) are existing and directly interconnected to the Transmission System;

(ii) are existing and interconnected to Affected Systems and may have an impact on the Interconnection Request;

(iii) have a pending higher queued or higher clustered 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 consider the level of Interconnection Service requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns.

The Cluster Study shall consist of ~~analyses of~~ power flow, stability, and short circuit~~/fault duty, stability, power flow, reactive margin and, if deemed necessary by~~ analyses, the results of which are documented in a single Cluster Study Report, or Cluster Re-Study Report, as applicable.

For purposes of identifying Network Upgrades and other facilities caused by requests for Network Resource Interconnection Service, Transmission Provider~~, harmonics and/or subsynchronous resonance (SSR).~~ will run two iterations of the Cluster Study. The ~~Interconnection~~ first iteration of the Cluster Study shall assume all requests in the applicable Cluster Study have requested Energy Resource Interconnection Service, to establish a baseline of shared Network Upgrades. In the second iteration, the Transmission Provider shall update the study with any requests for Network Resource Interconnection Service, as applicable, to identify the incremental Network Upgrades caused by the requests for Network Resource Interconnection Service. In conducting the first iteration of the Cluster Study and determining the necessary Interconnection Facilities and Network Upgrades, Transmission Provider may model operating resources in the Transmission System ~~Impact Study~~at less than full output to the extent consistent with maintaining system reliability, Good Utility Practice, and expected operation of the resources in the Transmission System based on historical operating patterns and/or capacity factors. All such modeling assumptions shall be described in the Cluster Study Report.

At the conclusion of the Cluster Study, Transmission Provider will 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~~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 Interconnection System Impact Study~~ The Cluster Study Report shall identify Transmission Provider's 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 estimates for required upgrades. The Cluster Study Report shall identify each Interconnection Customer's estimated allocated costs for Transmission Provider's Interconnection Facilities and Transmission Provider's Network Upgrades pursuant to the methodology in Section 4.2.3. Transmission Provider shall hold an open stakeholder meeting pursuant to Section 7.4 below.

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

Upon issuance of a Cluster Study Report, or Cluster Re-Study Report, if any, Transmission Provider shall simultaneously tender a draft Facility Study Agreement, subject to the conditions in Section 8.1.

7.4 ~~Interconnection System Impact~~Cluster Study Procedures

Transmission Provider shall coordinate the ~~Interconnection System Impact~~Cluster Study with any Affected System that is affected by the Interconnection Request pursuant to Section 3.~~5.~~ 6 above. Transmission Provider shall utilize existing studies to the extent practicable when it performs the ~~study.~~ Cluster Study. Interconnection Requests for a Cluster Study may be submitted only within the Cluster Request Window and Transmission Provider shall ~~use Reasonable Efforts~~initiate the Cluster Study process pursuant to ~~complete the Interconnection~~ Section 4.2.1.

a. Transmission Provider may segment and perform Cluster Studies according to geographically and/or electrically relevant areas on the Transmission Provider's Transmission System ~~Impact Study within ninety (90) Calendar Days after (1) the Interconnection System Impact Study Agreement has been fully executed by the Parties; (2) all required technical data has been submitted by Interconnection Customer; and, if applicable, (3) any portion of the~~

~~actual study costs that is not covered by Interconnection Customer's initial deposit has been fully paid. If Transmission Provider uses Clustering~~("Cluster Area"). Cluster Areas shall be determined by the Transmission Provider at the end of each Customer Engagement Window and shall be based on the valid Interconnection Requests that are submitted during the Cluster Request Window. Before the Scoping Meeting, the Transmission Provider shall initially determine each Cluster Area and shall post on its OASIS website, for discussion during the Scoping Meeting, a draft plan for the Cluster Study, including a map and table defining the Cluster Areas assigned to each valid Interconnection Request received during the Cluster Request Window. Transmission Provider shall post an updated Cluster Area map, table, and final Cluster Study plan on OASIS by no later than the end of the Customer Engagement Window. The Cluster Study shall consist of all valid Interconnection Requests in each respective Cluster Area that have executed a Cluster Study Agreement and have provided all required information before the close of the Customer Engagement Window.

b. Unless restudies are required pursuant to Section 7.5, Transmission Provider shall use Reasonable Efforts to ~~deliver a completed Interconnection System Impact Study within ninety (90) Calendar Days~~complete the Cluster Study and issue the Cluster Study Report within one hundred fifty (150) Calendar Days of the close of the Customer Engagement Window. If the Cluster Study Report is due on a non-Business Day, Transmission Provider shall issue the report on the first Business Day after the ~~close of~~date the ~~Queue~~ Cluster ~~Window~~Study Report would otherwise be due.

c. Within ten (10) Business Days of simultaneously furnishing a Cluster Study Report (or, as applicable, Cluster Re-Study Report) and a draft Interconnection Facilities Study Agreement to Interconnection Customers and posting such report on OASIS, Transmission Provider shall convene an open meeting to discuss the study results ("Cluster Study Report Meeting" or "Cluster Re Study Report Meeting"). Transmission Provider shall, upon request, also make itself available to meet with individual Interconnection Customers after the report is provided.

7.5 Cluster Study Withdrawals and Re-Studies

a. If no Interconnection Customer withdraws from the Cluster after completion of the Cluster Study or Cluster Re-Study or is deemed withdrawn pursuant to Section 3.7, Transmission Provider shall electronically notify Interconnection Customers in the Cluster that a Cluster Re-Study is not required.

b. If one or more Interconnection Customer withdraw(s) from the Cluster, Transmission Provider shall determine if a Cluster Re-Study of the Cluster is necessary. If Transmission Provider determines a Cluster Re-Study is not necessary, Transmission Provider shall provide an updated Cluster Study Report within thirty (30) Calendar Days of such determination. When the updated Cluster Study Report is issued, Transmission Provider shall electronically notify Interconnection Customers in the Cluster that a Cluster Re-Study is not required.

c. If one or more Interconnection Customers withdraws from the Cluster and Transmission Provider determines a restudy of the Cluster is necessary as a result, Transmission Provider will continue with such re-studies as described in Section 7.5.d below, until Transmission Provider determines that no further re-studies are required. If an Interconnection Customer withdraws after Section 7.5.a, Section 7.5.c, during the Interconnection Facilities Study, or after other Interconnection Customers in the same Cluster have executed LGIAs, and Transmission Provider determines a restudy of the Cluster is necessary, the Cluster (including any Cluster Area) shall be restudied as described in Section 7.5.d below. Transmission Provider shall electronically notify Interconnection Customers in the Cluster and post on OASIS that a re-study is required.

d. The scope of any Cluster Re-study shall be consistent with the scope of an initial Cluster Study pursuant to Section 7.3. Transmission Provider shall use Reasonable Efforts to complete the Cluster Re-Study for all Cluster Areas within one hundred fifty (150) Calendar Days of the commencement of the first Cluster Area Re-Study. The results of the Cluster Re-Study shall be combined into a single report ("Cluster Re-Study Report"), and Transmission Provider shall hold an open stakeholder meeting ("Cluster Re-Study Report Meeting") within ten (10) Business Days of publishing Cluster Re-Study Report on OASIS.

If additional re-studies are required, Interconnection Customer and Transmission Provider shall follow the procedures of this Section 7.5 until such time that Transmission Provider determines that no further re-studies are required. Transmission Provider shall electronically notify Interconnection Customers in the Cluster when no further re-studies are required.

e. At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required ~~time frame~~timeframe for completing the ~~Interconnection System Impact~~Cluster Study, Transmission Provider shall notify Interconnection ~~Customer~~Customers as to the schedule status of the ~~Interconnection System Impact~~Cluster Study. If Transmission Provider is unable to complete the ~~Interconnection System Impact~~Cluster Study within the time period, it shall notify Interconnection ~~Customer~~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 Customer ~~with~~ all supporting documentation, ~~any~~ workpapers, and relevant pre-Interconnection Request and post-Interconnection Request power ~~flows, and~~flow, short circuit and stability databases for the ~~Interconnection System Impact~~Cluster Study, subject to confidentiality arrangements consistent with Section 13.1.

~~**7.5 Meeting with Transmission Provider**~~

~~Within ten (10) Business Days of providing an Interconnection System Impact Study report to Interconnection Customer, Transmission Provider shall make Reasonable Efforts to meet with Interconnection Customer to discuss the results of the Interconnection System Impact Study.~~

~~**7.6 Re-study of System Impact Study**~~

~~If re-study of the Interconnection System Impact Study is~~ f. If Re-Study of the Cluster Study other than the Re-Study described in Section 7.5(a)-(d) is required due to a higher or equal priority queued project dropping out of the queue, or a modification of a higher queued project subject to Section 4.4, ~~or re-designation of the Point of Interconnection pursuant to Section 7.2,~~ Transmission Provider shall notify Interconnection Customer(s) in

writing. ~~Such re-study~~ The Transmission Provider shall ~~take~~make Reasonable Efforts to ensure such Re-Study takes no longer than ~~sixty (60~~one hundred fifty (150) Calendar Days from the date of notice. ~~If Transmission Provider is unable to complete~~Except as provided in Section 3.7 in the ~~re-study within this time period, it shall notify~~case of withdrawing Interconnection ~~Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Any~~Customers, any cost of ~~re-study~~Re-Study shall be borne by ~~the~~ Interconnection Customer(s) being re-studied.

Section 8. Interconnection Facilities Study

8.1 Interconnection Facilities Study Agreement

Simultaneously with ~~Transmission Provider's~~ the delivery of the ~~Interconnection System Impact~~final Cluster Study ~~report~~Report, or ~~re-study report to Interconnection Customer~~Cluster Re-Study Report if applicable, Transmission Provider shall provide to Interconnection Customer ~~with a draft~~an Interconnection Facilities Study Agreement in the form of Appendix 4 to this LGIP. The Interconnection Facilities Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection Facilities Study. ~~Within ten (10) Business Days following the Interconnection System Impact Study results meeting or as soon as practicable,~~ Transmission Provider shall provide to Interconnection Customer ~~an executed Interconnection Facilities Study Agreement which~~ includes a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study.
~~Within thirty (30) Calendar Days after its receipt of the foregoing documents,~~ Interconnection Customer shall execute the Interconnection Facilities Study Agreement and deliver ~~to Transmission Provider (i) the fully~~the executed Interconnection Facilities Study Agreement~~, (ii) the~~ to Transmission Provider within thirty (30) Calendar Days after its receipt, together with: (i) any required technical data~~, and (iii) the full amount~~; (b) a demonstration of ~~the study deposit required~~Site Control pursuant to Section ~~8~~3.4.1~~.1.~~

~~8.1.1 Deposit and Payment For~~ (iii); and (c) demonstration of a Readiness Milestone Option in Sections 3.4.1(v)(b) – (c), a site-specific Purchase Order for generating equipment specific to the Interconnection ~~Facilities Study~~Request, or a Financial Security payment equal to the Network Upgrade costs allocated

~~The~~ ~~Transmission Provider will draw upon any remainder of the Interconnection Customer's initial deposit to perform the Interconnection Facilities Study. In the event that the remainder of the initial deposit is insufficient to cover the actual costs, including any costs incurred for re-studying the facility impact in accordance with Section 8.5, the Transmission Provider shall require an additional deposit in the amount invoiced~~ to Interconnection Customer ~~for the good faith estimate to complete the study and/or re-study. Interconnection Customer shall submit the additional deposit no later than thirty (30) Calendar Days of its receipt of the invoice. If Transmission Provider does not receive the deposit from Interconnection Customer within the time prescribe above, the Interconnection Customer~~in the most recent Cluster Study Report minus any amounts already paid pursuant to Section 3.4.1(v)(d). Such additional Financial Security shall be ~~bound to the terms and time requirements in Section 3.6 to cure non-payment. Any shortage between the additional deposit and the actual costs of the Interconnection Facilities Study will be invoiced to Interconnection Customer and shall be paid in accordance with the terms of the invoice, subject to Section 3.6.~~refunded in accordance with Section 13.3.3.

8.2 Scope of Interconnection Facilities Study

~~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 ~~Interconnection System Impact~~Cluster Study ~~report~~Report (and any associated re-studies) in accordance with Good Utility Practice ~~and NERC/WECC reliability standards set forth in Section 13.7~~ to physically and electrically connect the Interconnection ~~Facilities~~Facility 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~~, Common 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 Facilities

Study will also identify any potential control equipment for requests for Interconnection Service that are lower than the Generating Facility Capacity.

8.3 Interconnection Facilities Study Procedures

Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System pursuant to Section 3.

~~**8.3 Interconnection Facilities Study Procedures**~~

~~Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System pursuant to Section 3.5~~6 above. Transmission Provider shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. ~~Transmission Provider shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study.~~ ~~After~~Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after receipt of an executed Interconnection Facilities Study Agreement~~, Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within one hundred twenty (120) Calendar Days~~ : ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report or, ~~alternatively, within~~ one hundred eighty (180) Calendar Days~~ with no more than~~ , if Interconnection Customer requests a +/- 10 percent cost estimate. If the Facilities Study Report is due on a non-Business Day, Transmission Provider shall issue the report on the first Business Day following the day the Facilities Study Report would otherwise be due.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required 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 time required, 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 issue the final Interconnection Facilities Study report within ~~twenty-five (25~~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 ~~twenty-five~~fifteen-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~~Report. Upon request, Transmission Provider shall provide Interconnection Customer ~~with~~ 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.

8.4 Meeting with Transmission Provider

~~and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 13.1.~~

~~**8.4 Meeting with Transmission Provider**~~

Within ~~twenty (20~~ten (10) Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer ~~or as soon as practicable~~, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study.

8.5 Re-~~study of Facilities~~ Study

If re-study of the Interconnection Facilities Study, or Facilities Study for a Small Generating Facility performed under Section 3.6 of Attachment N is required due to a higher or equal priority queued project dropping out of the queue or a modification of a higher queued project pursuant to Section 4.4, Transmission Provider shall so notify Interconnection Customer in writing. ~~Such re-study shall take no~~ Transmission Provider shall make Reasonable Efforts to ensure such re-study shall take no longer than sixty (60) Calendar Days from the date of notice.

Re-Studies that require rerunning the Cluster Study analysis may take longer than sixty (60) Calendar Days ~~from the date of notice, unless mutually agreed otherwise. Any~~. Except as provided in Section 3.7 in the case of withdrawing Interconnection Customers, any cost of re-study shall be borne by the Interconnection Customer being re-studied.

Section 9. Engineering & Procurement ("E&P") Agreement

~~**Section 9.Section 1. 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 ~~may~~shall offer the 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~~; provided, however~~. However, Transmission Provider shall not ~~consider~~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 the 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 application for interconnection~~from the Cluster 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 ~~at its sole discretion~~: (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 ~~prior to taking title and possession~~.

~~**Section 10. Optional Interconnection Study**~~

~~**10.1 Optional Interconnection Study Agreement**~~

~~On or after the date when Interconnection Customer receives the Interconnection System Impact Study results, Interconnection Customer may request, and Transmission Provider shall perform, a reasonable number of Optional Studies. The request shall describe the assumptions that Interconnection Customer wishes Transmission Provider to study within the scope described in Section 10.2. Within five (5) Business Days after receipt of a request for an Optional Interconnection Study or as soon as practicable, Transmission Provider shall provide to Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 5.~~

~~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 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 Study 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 required technical data and a $10,000 deposit to Transmission Provider which shall be managed as a separate account from Interconnection Customer's initial deposit.~~

~~**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, Common 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's 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, separate and apart from Interconnection Customer's initial deposit. Upon request, Transmission Provider shall provide Interconnection Customer with supporting documentation and databases or data developed in the preparation of the Optional Interconnection Study, subject to confidentiality arrangements consistent with Section 13.1.~~

Section 10. Reserved

Section 11. Large Generator Interconnection Agreement (LGIA)

11.1 Tender

Interconnection Customer shall tender comments on the draft Interconnection Facilities Study ~~report~~Report within thirty (30) Calendar Days of receipt of the report. Within ~~forty-five (45~~thirty (30) Calendar Days after the comments are ~~received~~submitted or ~~as soon as practicable~~after the Interconnection Customer notifies Transmission Provider that it will not provide comments, Transmission Provider shall tender a draft LGIA, together with draft appendices~~, attached as~~. The draft LGIA shall be in the form of Transmission Provider's standard form of LGIA, which is in Appendix 6. Interconnection Customer shall execute ~~the LGIA~~ and return ~~it with all~~the completed draft appendices within thirty (30) Calendar Days, unless ~~mutually agreed otherwise~~the sixty (60) Calendar Day negotiation period under Section 11.2 has commenced.

11.2 Negotiation

Notwithstanding Section 11.1, 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~~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 and initiate Dispute Resolution pursuant to Section 13.5. If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to initiate 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 initiated Dispute Resolution pursuant to Section 13.5 within sixty (60) Calendar Days of the ~~Transmission Provider's~~ tender of draft LGIA, it shall be deemed to have withdrawn its Interconnection Request ~~pursuant to Section 3.6. Otherwise,~~. Transmission Provider shall provide to

Interconnection Customer a final LGIA within fifteen (15) Business Days after the completion of the negotiation process.

11.3 Execution

Within fifteen (15) Business Days after receipt of the final LGIA, Interconnection Customer shall provide Transmission Provider ~~(A) reasonable evidence of continued Site Control or proof that it has now obtained Site Control or (B) if Site Control has not been demonstrated by reasonable evidence, post $250,000 additional security, which shall be applied toward future construction costs.~~with (A) demonstration that continued Site Control pursuant to Section 3.4.1(iii)(a) and (B) continued proof of meeting a Readiness Milestone Option in Section 3.4.1(v)(b), Section 3.4.1(v)(c), or a site-specific Purchase Order for generating equipment specific to the Interconnection Request, unless Interconnection Customer paid a deposit as provided in Section 3.4.1(v)(d) and associated Network Upgrade costs pursuant to Section 8.1(c). 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's election, has been achieved: (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) ~~the~~ execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility; (iv) ~~the~~ execution of a contract (or comparable evidence) for the sale of electric energy or capacity from the Large Generating Facility; or (v) ~~a completed~~ application for an air, water, or land use permit.

Interconnection Customer shall either: (i) execute two originals of the tendered LGIA and return both signed originals to Transmission Provider; or (ii) initiate Dispute Resolution pursuant to Section 13.5.

11.4 Commencement of Interconnection Activities

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

Section 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. Construction sequencing may also apply to shared Transmission Provider's Interconnection Facilities in a similar manner as described below for 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 ~~executed~~ LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance, to the extent ~~possible,~~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 but is not under any obligation to do so; provided that, Interconnection Customer commits to pay Transmission Provider: (i) any and all associated expediting costs and (ii) the cost of such Network Upgrades.~~

~~**12.2.3 Advancing Construction of Network Upgrades that are Part of an Expansion Plan of the Transmission Provider**~~

~~An Interconnection Customer with an executed LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance, to~~

~~the extent possible, 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 the Transmission Provider or other regional transmission planning process, 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 ~~but is not under any obligation to do so;~~ provided that~~,~~ Interconnection Customer commits to pay Transmission Provider: (i) any ~~and all~~ 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 Article 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.

12.2.3 Advancing Construction of Network Upgrades that are Part of an Expansion Plan of the 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, 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.

12.2.4 Amended Interconnection System Impact Study

~~If Transmission Provider can accommodate Interconnection Customer's request pursuant to Section 12.2.2 or 12.2.3, an amended Interconnection~~

~~System Impact Study will be required~~If applicable, an interconnection system impact study will be amended to determine the facilities necessary to support the requested In-Service Date. This amended study will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested In-Service Date. ~~Any and all costs and expenses associated with this amended Interconnection System Impact Study shall be borne by Interconnection Customer.~~

Section 13. Miscellaneous

13.1 Confidentiality

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of 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 Article 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.

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 ~~best~~knowledge of the receiving ~~Party's knowledge~~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 LGIP or the LGIA or violation of any provision of this LGIP~~the LGIA; or (6) is required, in accordance with Section 13.1.6, 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 ~~this LGIP or~~ 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

~~In addition to the terms and conditions of the LGIP, Transmission Provider may request Interconnection Customer, its agents, employees or assignee to execute a separate confidentiality agreement.~~ 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 a potential purchaser or assignee 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, ~~the~~a Party providing Confidential Information ~~about the Interconnection Request~~ 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~~, reliability~~ or completeness~~, unless otherwise stated~~. 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~~, subject to Sections 13.1.6 and 13.1.12.~~. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under these procedures or its regulatory ~~or municipal~~ 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, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of ~~this LGIP or~~ 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 not be deemed an exclusive remedy for the Breach of this Section 13.1, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are

necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 13.1.

13.1.8 Disclosure to FERC, its Staff, or a State ~~Regulatory Agency~~. Notwithstanding anything in this Section 13.1 to the contrary, and pursuant to 18 CFR ~~section~~Section 1b.20, if FERC or its staff~~, or if a state regulatory agency~~, 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 the LGIP, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR ~~section~~Section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information ~~should~~ be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR ~~section~~Section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.

13.1.9 ~~Disclosure to Third Parties~~

Subject to the exception in Section 13.1.8, any ~~Confidential Information~~ information that a Party claims ~~contains~~is competitively sensitive, commercial or financial information ("Confidential Information") shall not be disclosed by the other Party to any person ~~who is~~ 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 including disclosing the Confidential Information to an RTO or ISO or to a sub-regional, regional or national reliability organization, or ~~a regional or interregional transmission~~ 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.

13.1.10 ~~Information within Public Domain~~

~~Section 13~~ 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 ~~the provisions hereunder~~this provision).

13.1.~~11~~11 ~~Destruction~~11Destruction of Confidential Information

Transmission Provider shall, at Interconnection Customer's election, destroy ~~(~~, in a confidential manner~~)~~, or return the Confidential Information ~~that~~provided at the time of Confidential Information is no longer needed ~~by Transmission Provider for the Interconnection Request~~.

13.1.12 CPRA, Brown Act ~~and NERC/WECC Requirements~~

In addition to the foregoing provisions under this Section 13.1, Interconnection Customer acknowledges that Transmission Provider is

subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§6250 et seq. ("CPRA") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 *et. ~~seq.~~* ~~("Brown Act"), as well as certain data sharing requirements imposed by NERC and WECC. Any data sharing with NERC or WECC shall be made pursuant to the requirements imposed by NERC and WECC and any applicable data sharing or confidentiality agreements.~~ *Seq.* ("Brown Act"). Requests for information made directly to Transmission Provider pursuant to CPRA will be managed in a similar manner identified within Section 13.1.9. For purposes of the Brown Act, the Parties ~~should~~ shall adhere to the provisions of Section 13.1 to maintain confidentiality.

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 and Withdrawal Penalties; Refunds

13.3.1 Transmission Provider shall ~~provide a good faith estimate for each Interconnection Study~~charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies~~.~~ (or actual allocated costs, in the case of Cluster Studies pursuant to Section 4.2.2) and any Withdrawal Penalty, as applicable. Any difference between the ~~initial~~study deposit and the actual cost of the applicable Interconnection Study shall be paid by or refunded, except as otherwise provided herein, to Interconnection Customer or offset against the cost of any future Interconnection Studies associated with the applicable Interconnection Request prior to ~~the beginning of any such future Interconnection Studies.~~ beginning of any such future Interconnection Studies. If an Interconnection Customer's study deposit paid pursuant to Section 3.1 is greater than the Interconnection Customer's share of actual Cluster Study costs (including applicable restudies), any excess amounts shall be applied to the Interconnection Customer's individual Interconnection Facility Study costs, or refunded to the Interconnection Customer following Transmission Provider's issuance of the

Interconnection Customer's final Interconnection Facilities Study report. Interconnection Customer shall be responsible for any Withdrawal Penalties pursuant to Section 3.7 in the event of withdrawal.

13.3.2 In the event of Interconnection Customer's Withdrawal pursuant to Section 3.7, Transmission provider shall refund to Interconnection Customer any of the refundable portion of the following charges: (a) any study deposit paid pursuant to Section 3.1; (b) $3,000 per MW deposit paid pursuant to Section 3.4.1(v)(d); (c) any Site Control-related deposit paid pursuant to Section 3.4.1(iii); and (d) additional Financial Security payment for Network Upgrade costs paid pursuant to Section 8.1(c). Such refundable portion shall be any amount that exceeds Interconnection Customer's share of the costs that Transmission Provider has incurred (such as study costs) including interest calculated in accordance with Section 35.19a(a)(2) of FERC's regulations, and that exceed any Withdrawal Penalty imposed, if applicable.

13.3.3 Additional Financial Security paid by Interconnection Customer pursuant to Section 8.1(c) shall be refunded in whole or in part on the earlier of: (i) Interconnection Customer is able to demonstrate a Readiness Milestone Option in Section 3.4.1(v)(b), Section 3.4.1(v)(c), or a site-specific Purchase Order for generating equipment specific to the Interconnection Request; (ii) the Interconnection Request is withdrawn from the queue and pays any required Withdrawal Penalties; (iii) before achieving Commercial Operation the Interconnection Customer terminates its executed LGIA pursuant to LGIA Article 2.3 or applicable termination procedures and pays any required Withdrawal Penalties; or (iv) Interconnection Customer achieves Commercial Operation. Any partial or full refund pursuant to this Section shall include interest (if applicable) calculated in accordance with Section 35.19a(a)(2) of FERC's regulations, and that exceed any Withdrawal Penalty imposed.

13.3.4 Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study~~.~~ as well as the Withdrawal Penalty, if applicable. Interconnection Customer shall pay any such undisputed costs ~~in accordance with the requirements set forth in Sections 7, 8 and 10 as applicable.~~within thirty (30) Calendar Days of receipt of an invoice therefor. Transmission Provider shall not be obligated to perform or continue to perform any studies unless Interconnection Customer has paid all undisputed amounts in compliance herewith. If invoices are not paid within thirty (30) Calendar Days of receipt of an invoice, Transmission Provider shall draw upon

any security and deposits provided under this LGIP to settle all accounts, which shall include any offsets of amounts due and owing by Transmission Provider. After the final invoice is paid and all accounts are settled, Transmission Provider shall refund all remaining security and deposits.

13.4 Third Parties Conducting Studies

If (i) at the time of the signing of an Interconnection Study Agreement there is a disagreement as to the estimated time to complete an Interconnection Study, (ii) Interconnection Customer receives notice pursuant to Sections 7.4, 7.5(e) or 8.3 that Transmission Provider will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives neither the Interconnection Study ~~report~~ nor a notice under Sections 7.4, 7.5(e) or 8.3 within the applicable timeframe ~~required under this LGIP~~ for ~~the relevant~~such Interconnection Study, then Interconnection Customer may require Transmission Provider to utilize a third party consultant reasonably acceptable to Interconnection Customer and Transmission Provider to perform such Interconnection Study under the direction of Transmission Provider. At other times, Transmission Provider may also utilize a third party consultant to perform such Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in ~~accordance~~accord with Article 26 of the LGIA (Subcontractors) and 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. In cases where Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer and Transmission Provider shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. Transmission Provider shall convey all workpapers, data bases, 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 provisions in Section 13.1. In any case, such third party contract may be entered into with either Interconnection Customer or Transmission Provider at Transmission Provider's ~~sole~~ discretion. In the case of (iii), ~~where Interconnection Customer never received the~~

~~Interconnection Study report or notice that additional time is required, the~~ Interconnection Customer maintains its right to ~~initiate~~submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this LGIP, Article 26 of the ~~draft~~ LGIA (Subcontractors), and the relevant Tariff procedures and protocols as would apply if Transmission Provider were to conduct the Interconnection Study, and ~~further~~ shall use the information provided to it solely for purposes of performing such services and for no other purposes.

Transmission Provider shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study ~~report~~ 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 ~~this LGIP or~~ the ~~unexecuted~~ LGIA, the LGIP, 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 Notice of Dispute shall not be deemed a waiver of the requirements of, nor construed as compliance with, California Government Code Section 910 *et seq.,* or any successor statute.

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 ~~in Section 13.5.2~~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 or the~~ LGIA.

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 ~~with~~ 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"); 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 therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of ~~this LGIP or~~ the LGIA and LGIP and shall have no power to modify or change any provision of ~~this LGIP or~~ the LGIA and LGIP in any manner. ~~If the Parties have mutually agreed to binding arbitration, the~~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 ~~or federal or state law~~.

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.

~~13.5.5~~13.5.5 Non-binding dispute resolution procedures.

If a Party has submitted a Notice of Dispute pursuant to Section 13.5.1, and the Parties are unable to resolve the claim or dispute through unassisted or assisted negotiations within the thirty (30) Calendar Days provided in that Section, and the Parties cannot reach mutual agreement to pursue the Section 13.5 arbitration process, a Party may request that Transmission Provider engage in Non-binding Dispute Resolution pursuant to this section by providing written notice to Transmission Provider ("Request for Non-binding Dispute Resolution"). Conversely, either Party may file a Request for Non-binding Dispute Resolution pursuant to this Section without first seeking mutual agreement to pursue the Section 13.5 arbitration process. The process in Section 13.5.5 shall serve as an alternative to, and not a replacement of, the Section 13.5 arbitration process. Pursuant to this process, a Transmission Provider must within 30 days of receipt of the Request for Non-binding Dispute Resolution appoint a neutral decision-maker that is an independent subcontractor that shall not have any current or past substantial business or financial relationships with either Party. Unless otherwise agreed by the Parties, the decision-maker shall render a decision within sixty (60) Calendar Days of appointment and shall notify the Parties in writing of such decision and reasons therefore. This decision-maker shall be authorized only to interpret and apply the provisions of the LGIP and LGIA and shall have no power to modify or change any provision of the LGIP and LGIA in any manner. The result reached in this process is not binding. Each Party shall be responsible for its own costs incurred during the process and the cost of the decision-maker shall be divided equally among each Party to the dispute.

13.5.6 Governing Law and Venue

This LGIP and the LGIA, and all agreements hereunder shall be interpreted, governed by, and enforced in accordance with the laws of the State of California, as if executed and to be performed wholly within the State of California.

Any dispute arising out of or relating to this LGIP and the LGIA shall be brought in a state or federal court in the County of Los Angeles in the State of California. Each Party irrevocably agrees to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens.*

13.5.~~6~~7 Non-Jurisdictional Entity

Notwithstanding the form of this LGIP or the LGIA and any reference or inclusion of these documents within the Tariff, Transmission Provider is a non-public utility under section 201(f) of the Federal Power Act, 16 U.S.C. §824(f), and is subject to FERC jurisdiction only in limited circumstances pursuant to 16 U.S.C. §824j-1.

13.6 Municipal Tax-Exempt Bonds

13.6.1 Transmission Providers That Own Facilities Financed by Tax Exempt and Tax Credit Bonds

This provision is applicable to those facilities that Transmission Provider has financed with municipal tax-exempt bonds, Build America Bonds (BAB), Clean Renewable Energy Bonds ("CREBS" and "New CREBs"), Qualified Energy Conservation Bonds (QECB) and other qualified tax credit bonds (collectively "Tax Exempt and Tax Credit Bonds"). Notwithstanding any other provision of ~~this LGIP or~~ the LGIA and LGIP, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to ~~this~~the LGIA and LGIP ~~or the LGIA~~ if the provision of ~~Transmission Service~~such transmission service would jeopardize the tax-exempt status, volume cap, or any federal subsidy of any Tax Exempt or Tax Credit Bond 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 bond identified within Section~~s~~ 13.6.1 used to finance its facilities that would be used in providing such Interconnection Service, it shall advise the Interconnection Customer within thirty (30) Calendar Days of receipt of the Interconnection Request.

Interconnection Customer thereafter may renew its request for interconnection using the process specified in Article 5 of the Transmission Provider's Tariff.

~~**13.7 Conformance with NERC and WECC Reliability Requirements**~~

~~LADWP will require all Interconnection Customers to abide by the Applicable Reliability Standards and WECC Criteria including, but not limited to, the following:~~

~~1. Coordination of joint studies of new facilities and their impacts on the interconnected transmission systems.~~
~~2. Notification of new or modified facilities to others (those responsible for the reliability of the interconnected transmission systems) as soon as feasible.~~
~~3. Voltage level and MW and MVAR capacity or demand at point of connection.~~
~~4. Breaker duty and surge protection.~~
~~5. System protection and coordination.~~
~~6. Metering and telecommunications.~~
~~7. Grounding and safety issues.~~
~~8. Insulation and insulation coordination.~~
~~9. Voltage, Reactive Power, and power factor control.~~
~~10. Power quality impacts.~~
~~11. Equipment Ratings.~~
~~12. Synchronizing of facilities.~~
~~13. Maintenance coordination.~~
~~14. Operational issues (abnormal frequency and voltages).~~
~~15. Inspection requirements for existing or new facilities.~~
~~16. Communications and procedures during normal and emergency operating conditions.~~

~~Each of the items listed above will be addressed in LADWP's study(ies), as applicable to the specific interconnection request. More general requirements are identified within various sections of this LGIP.~~

APPENDIX 1 to LGIP
INTERCONNECTION REQUEST FOR A
LARGE GENERATING FACILITY

1. The undersigned Interconnection Customer submits this request to interconnect its Large Generating Facility with Transmission Provider's Transmission System pursuant to a Tariff.

2. This Interconnection Request is for ~~(check one):~~:
   _____ A proposed new Large Generating Facility.
   _____ All or a portion is an electric storage resource.
   _____ A proposed Large Generating Facility with Interconnection Service below the Generating Facility Capacity.
   _____ An increase in the generating capacity or a Material Modification of an existing Generating Facility.
   _____ Provisional Interconnection Service.
   _____ Surplus Interconnection Service.
   _____ Technological Advancement Request.

3. The type of ~~interconnection service~~Interconnection Service requested (check one):
   _____ Energy Resource Interconnection Service
   _____ Network Resource Interconnection Service

   ~~4. _____ Check here only if~~Note: For Surplus Interconnection ~~Customer requesting Network Resource~~Service requests, the type of Interconnection Service ~~also seeks to have its Generating Facility studied for Energy Resource~~ requested cannot exceed the type of Interconnection Service already provided by the original Interconnection Customer's LGIA.

4. Readiness Milestone Option selected, as specified in the LGIP, along with any supporting documentation: _____

   (Note that if the Readiness Milestone Option in Section 3.4.1(v)(d) is selected at this stage, pursuant to the LGIP, Interconnection Customer will also need to satisfy the requirements of Section 8.1 to proceed to a Facilities Study.)

5. Interconnection Customer provides the following information:

   a. Address or location (including GIS site coordinates) or the proposed new Large Generating Facility site (to the extent known) or, in the case of an existing

Generating Facility, the name and specific location of the existing Generating Facility;

b. Maximum summer at ____ degrees C and winter at _____ degrees C megawatt electrical output of the proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of an existing Generating Facility;

c. General description of the equipment configuration;

d. Anticipated In-Service Date for the proposed new Large Generating Facility (Day, Month, and Year);

e. ~~Anticipated~~ Commercial Operation Date (Day, Month, and Year);

f. Name, address, telephone number, and e-mail address of Interconnection Customer's contact person;

g. Approximate location of the proposed Point of Interconnection;

h. Interconnection Customer Data ~~including the information requested~~(set forth in Attachment A ~~of Appendix 1;~~);

~~k. One-line diagram/configuration layout;~~

i. Primary frequency response operating range for electric storage resources;

j. ~~GIS site coordinates~~Requested capacity (in MW) of Interconnection Service (if lower than the ~~proposed Large~~ Generating Facility~~; and~~ Capacity);

~~k. If the proposed Large Generating Facility is a wind or solar or hybrid facility, acknowledgement and compliance with the provisions set forth in Appendix 7.~~

k. General description of requested Surplus Interconnection Service, if applicable.

6. Applicable deposit amount as specified in Section 3.1 of the LGIP.

7. ~~Evidence of~~ Site Control as specified in the LGIP: (check one)
____ ~~Is~~Evidence is attached to this Interconnection Request

____ ~~Will be~~Site Control deposit provided ~~at a later date~~ in accordance with this LGIP

8. This Interconnection Request shall be submitted to the representative indicated below:

[To be completed by Transmission Provider]

9. Representative of Interconnection Customer to contact:

[To be completed by Interconnection Customer]

10. This Interconnection Request is submitted by:

Name of Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

Attachment A to Appendix 1
Interconnection Request

LARGE GENERATING FACILITY DATA

Note: A WECC-approved General Electric Company Power Systems Load Flow (PSLF) steady state and dynamic data file must be supplied with the Interconnection Request. If other data files are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.

UNIT RATINGS

kVA _____ °~~C~~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 _____ °~~C~~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. $ft.^2$

~~**NOTE: This Attachment A to Appendix 1 Interconnection Request must be completed for each generator that falls within this Interconnection Request if the collection system involves equipment with combined characteristics of two or more types of generators.**~~

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	$X2_v$ _____	
Negative Sequence – unsaturated	$X2_i$ _____	
Zero Sequence – saturated	$X0_v$ _____	
Zero Sequence – unsaturated	$X0_i$ _____	
Leakage Reactance	Xl_m _____	

FIELD TIME CONSTANT DATA (SEC)

Open Circuit	T'_{do} _____		T'_{qo} _____	
Three-Phase Short Circuit Transient	T'_{d3} _____		T'_{q} _____	
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} _____

Department of Water and Power
of the City of Los Angeles

Open Access Transmission Tariff
Original Sheet No. - 99 -

NOTE: If requested information is not applicable, indicate by marking "N/A."

Department of Water and Power
of the City of Los Angeles

Open Access Transmission Tariff
Original Sheet No. - 100 -

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.

~~**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))

OATT Effective [Insert]

Department of Water and Power
of the City of Los Angeles

Open Access Transmission Tariff
Original Sheet No. - 101 -

_____/_____/_____

Fixed Taps Available _____

Present Tap Setting _____

IMPEDANCE

Positive Z_1 (on self-cooled kVA rating)_____ % _____ X/R

Zero 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 completed General Electric Company Power Systems Load Flow (PSLF) data sheet or other compatible formats, such as IEEE and PTI power flow models, must be supplied with the

Interconnection Request. If other data sheets are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.

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 by (*) is required.

APPENDIX 2 to LGIP

~~**RESERVED**~~

~~APPENDIX 3 to LGIP~~
INFORMATIONAL INTERCONNECTION STUDY REQUEST

1. The undersigned Interconnection Customer submits this request for an Informational Interconnection Study pursuant to Transmission Provider's Tariff.

2. The type of interconnection service to be evaluated (check one):
_____ Energy Resource Interconnection Service
_____ Network Resource Interconnection Service

3. Check here _____ only if Network Resource Interconnection Service was selected above and Interconnection Customer also requests to have its proposed Generating Facility studied for Energy Resource Interconnection Service, for informational purposes.

4. Interconnection Customer provides the following information:

   a. Address or location of the proposed new Large Generating Facility site to be studied (to the extent known) or, in the case of an existing Generating Facility, the name and specific location of the existing Generating Facility;

   b. Maximum summer at __ degrees C and winter at ___ degrees C megawatt electrical output of the proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of an existing Generating Facility;

   c. General description of the equipment configuration;

   d. Commercial Operation Date to be studied (Day, Month, and Year);

   e. Name, address, telephone number, and e-mail address of Interconnection Customer's contact person;

   f. Approximate location of the proposed Point of Interconnection;

   g. Interconnection Customer Data (set forth in Attachment A);

   h. Primary frequency response operating range for electric storage resources; and

   i. Requested capacity (in MW) of Interconnection Service to be studied (if lower than the Generating Facility Capacity).

5. $10,000 study deposit amount as specified in the LGIP.

6. This Interconnection Request shall be submitted to the representative indicated below:
[To be completed by Transmission Provider]

7. Representative of Interconnection Customer to contact:
[To be completed by Interconnection Customer]

8. This Informational Interconnection Request is submitted by:

Name of Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

Attachment A to Appendix 2
Informational Interconnection Study Request

LARGE GENERATING FACILITY DATA

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	$X2_v$	
Negative Sequence - unsaturated	$X2_i$	
Zero Sequence - saturated	$X0_v$	

Zero Sequence - unsaturated	$X0_i$
Leakage Reactance	Xl_m

FIELD TIME CONSTANT DATA (SEC)

Open Circuit		T'_{do}	T'_{qo}
Three-Phase Short Circuit Transient	T'_{d3}	T'_q	
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

Zero Z_0 (on self-cooled kVA rating) _____ % _____ X/R

EXCITATION SYSTEM ~~IMPACT~~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 set-points for the protective equipment or software:

_____

Note: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet or other compatible formats, such as IEEE and PTI power flow models, must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.

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 by (*) is required.

APPENDIX 2A TO LGIP
INFORMATIONAL INTERCONNECTION STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20 _____ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ a _____ existing under the laws of the State of _____, ("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 developing a Large Generating Facility or generating capacity addition to an existing Generating Facility; and

WHEREAS, Interconnection Customer is proposing to evaluate an interconnection with the Transmission System; and

WHEREAS, Interconnection Customer has submitted to Transmission Provider an Informational Interconnection Study Request; and

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

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Informational Interconnection Study consistent with Section 6 of the LGIP.

3.0 The scope of the Informational Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Informational Interconnection Study shall be performed solely for informational purposes and is not binding on either Party.

5.0 The Informational Interconnection Study shall be based on the technical information provided by Interconnection Customer in the Informational

Interconnection Study Request, as may be modified as the result of the optional scoping meeting. 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 Informational Interconnection Study. If Interconnection Customer modifies its Informational Interconnection Study Request, the time to complete the Informational Interconnection Study may be extended.

6.0 The Informational Interconnection Study Report shall provide the following information:

- preliminary identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

- preliminary identification of any thermal overload or voltage limit violations resulting from the interconnection; and

- preliminary description and non-bonding estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit and power flow issues.

7.0 Interconnection Customer shall provide a deposit of $10,000 for the performance of the Informational Interconnection Study.

Upon receipt of the Informational Interconnection Study Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Informational Interconnection Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

8.0 Miscellaneous. The Informational Interconnection Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

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.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

Attachment A to Appendix 2A
Informational Interconnection
Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE INFORMATIONAL INTERCONNECTION STUDY

The Informational Interconnection Study will be based upon the information set forth in the Informational Interconnection Study Request and agreed upon in the optional scoping meeting held on _____:

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 the Interconnection Customer and other assumptions to be provided by the Interconnection Customer and Transmission Provider]

APPENDIX 3 to LGIP
CLUSTER STUDY AGREEMENT

THIS AGREEMENT ~~("Agreement")~~ is made and entered into this___day of _____, 20___ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") 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 ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

~~**RECITALS**~~

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a [CHOOSE: Large Generating Facility or Small Generating Facility] or generating capacity addition to an existing Generating Facility (including Surplus Interconnection Service and Provisional Interconnection Service) consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the ~~Large Generating Facility~~[CHOOSE: Large Generating Facility or Small Generating Facility] or generating capacity addition to an existing Generating Facility (including Surplus Interconnection Service or Provisional Interconnection Service) with the Transmission System; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform ~~an Interconnection System Impact~~a Cluster Study to assess the impact of interconnecting the [CHOOSE: Large Generating Facility or Small Generating Facility] to the Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP and, if applicable, SGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed ~~an Interconnection System Impact~~a Cluster Study consistent with, as applicable, Section 7.0 of ~~this~~the LGIP or Section 3 of the SGIP in accordance with the Tariff and any associated Business Practices.

3.0 The scope of the ~~Interconnection System Impact~~Cluster Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The ~~Interconnection System Impact~~Cluster Study will be based upon the ~~technical~~ information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with, as applicable, Section 4.4 of the LGIP or Section 3 of the SGIP. 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 ~~Interconnection Customer System Impact~~Cluster Study. If Interconnection Customer modifies its Interconnection Request~~,~~ or ~~any~~the technical information provided therein, the time to complete the ~~Interconnection System Impact~~Cluster Study may be extended.

5.0 The ~~Interconnection System Impact~~Cluster Study report shall provide the following information, as applicable, consistent with the type of Interconnection Service requested:

(i) identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

(ii) identification of any thermal overload or voltage limit violations resulting from the interconnection;

(iii) identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;

~~(iv) identification of any magnitude and impacts of harmonics resulting from the interconnection;~~

~~(v) if required by Transmission Provider, identification of any impacts of subsynchronous resonance (SSR) resulting from the interconnection; and~~

~~(vi~~ (iv) 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~~/faulty duty~~, instability, power flow~~, reactive margin and harmonics and/or sub-synchronous resonance (SSR)~~ issues~~.~~; and

(vii) identification of Contingent Facilities.

6.0 ~~Any remaining balance from~~ Interconnection Customer's ~~initial~~ deposit ~~of $250,000~~, paid pursuant to, as applicable, Section 3.1 of the LGIP, Attachment 2 of the SGIP, or Attachment M-1, as may be applicable, shall be used ~~towards the performance of the~~ to pay Interconnection ~~System Impact~~Customer's share of Cluster Study costs allocated pursuant to Section 4.2.2 of the LGIP or Section 3.4.2 of the SGIP. Transmission Provider's good faith estimate for the time of completion of the ~~Interconnection System Impact~~Cluster Study is ~~_____, 20___, and its good faith cost estimate is $_____. If there is any difference between the Transmission Provider's good faith estimate and the actual cost of the study, the Transmission Provider will perform a true-up and shall debit or credit Interconnection Customer's initial deposit, as appropriate. If the remaining balance from the initial deposit is insufficient to cover all of the costs and expenses associated with the Interconnection System Impact Study including any re-study(ies), then the Transmission Provider shall invoice the~~ [insert date].

Upon receipt of the Cluster Study, Transmission Provider shall charge and Interconnection Customer ~~for~~shall pay its actual allocable costs of the ~~good faith estimate~~Cluster Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer ~~shall submit payment no later than fifteen (15) Calendar Days after it receives the invoice. If Transmission Provider does not receive payment for the estimated balance from~~, as appropriate. As provided in Section 13.3 of the LGIP, Interconnection Customer has thirty (30) Calendar Days of receipt of an invoice from Transmission Provider to pay any undisputed costs. If invoices are not paid within thirty (30) ~~days, the Interconnection Customer shall have five (5) Business~~Calendar Days ~~to cure non-payment; provided that, if Interconnection Customer fails to cure its non-payment within the five (5) Business Days, Interconnection Customer's Interconnection Request~~of receipt of an invoice, Transmission Provider shall draw upon the

security and deposits provided to settle all accounts, which shall ~~be treated~~include any offsets of amounts due and owing by Transmission Provider~~ as withdrawn in accordance with Section 3.6 of the LGIP and Interconnection Customer shall be deemed in default of this LGIA pursuant to Article 17~~. After the final invoice is paid and all accounts are settled, Transmission Provider shall refund all remaining security and deposits.

~~Upon receipt of the executed Interconnection System Impact Study Agreement from Interconnection Customer, Transmission Provider shall deduct the estimated cost of the study against the Interconnection Customer's initial deposit and Interconnection Customer shall pay the actual costs of the Interconnection System Impact Study from its initial deposit.~~

~~If there is any difference between Transmission Provider's good faith estimate and the actual cost of the study, the Transmission Provider will perform a true-up and shall debit or credit Interconnection Customer's initial deposit, as appropriate.~~

7.0 Miscellaneous Provisions.

7.1 Indemnification. The Parties shall at all times indemnify, defend, and hold harmless the other Parties, their respective officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, ~~without limitation, business interruption, impairment of contract,~~ death, bodily injury or personal injury to any person, damage or destruction ~~or loss of use to or of~~to any property (financial, physical, or intellectual) by or to third parties (collectively, "Losses") arising by reason of or incident to or directly or indirectly related to the other Party's acts, errors or omissions, performance or non-performance or Breach of any of their obligations of or under this Agreement, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.2 Accuracy of Information. The Interconnection Customer represents and warrants that, to the best of its knowledge and in accordance with Good

Utility Practice, the information that it provides to the Transmission Provider in connection with this ~~Interconnection System Impact~~Cluster Study Agreement and the ~~Interconnection System Impact~~Cluster Study is accurate and complete. The Interconnection Customer acknowledges and accepts that it has a continuing obligation under this ~~Interconnection System Impact~~Cluster Study Agreement to promptly provide the Transmission Provider with any additional information required to update the information previously provided within no less than forty-eight (48) hours.

7.3 Disclaimer of Warranty; Limitation of Liability and Release. In performing or causing the ~~Interconnection System Impact~~Cluster Study to be performed, the Transmission Provider may rely on the information provided by the Interconnection Customer and third parties, which Transmission Provider may not have any control over the veracity or accuracy of such information. For data, information and other studies submitted by the Interconnection Customer or obtained from third parties or industry sources, TRANSMISSION PROVIDER ~~HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE ELECTRIC INDUSTRY, OR OTHERWISE, INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.~~

~~FURTHERMORE, TRANSMISSION PROVIDER~~ SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE

SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR ~~COMMOM~~ COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

Upon execution of this ~~Interconnection System Impact~~Cluster Study Agreement, the Interconnection Customer acknowledges and accepts that it has not relied on any representations or warranties not specifically set forth herein.

7.4 Representations and Warranties. ~~The~~ Each Party makes the following representations, warranties and covenants:

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

7.4.2 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 ~~and covenants of it. The Interconnection Customer represents and warrants that it has undertaken or will cooperate with~~ , 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), and, in the case of the Transmission Provider ~~in undertaking any environmental review required for its proposed project, including but not limited to the~~ , the limitations on legal remedies against municipal corporations in the State of California ~~Environmental Quality Act (CEQA) as amended and stated within Cal. Pub. Res. Code §§ 21000-21178 or any successor statute; provided however, Transmission Provider's undertaking and completion of the System Impact Study, or issuance of a system impact study report, shall neither be construed as a guarantee of an interconnection agreement nor an approval of the proposed project. The Interconnection Customer further represents and warrants it is not restricted or prohibited contractually or otherwise, from entering into and performing this agreement, and that the~~ .

7.4.3 No Conflict. The execution, delivery and performance of this Agreement ~~by Interconnection Customer will not constitute a violation or breach of any other agreement between it and any other person or entity~~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.

~~7.5 Force Majeure. If a Force Majeure Event prevents the Transmission Provider from fulfilling any obligations under this Interconnection System Impact Study Agreement, Transmission Provider shall promptly notify the Interconnection Customer in writing, and shall suspend or modify its performance under said agreement until the Force Majeure Event, to the extent that the effect of the Force Majeure Event cannot be mitigated by use of Good Utility Practice or commercially reasonable efforts. For purposes of this Interconnection System Impact Study Agreement, a "Force Majeure Event" means any event or circumstance caused by reason of Force Majeure that prevents or delays Transmission Provider's~~

~~performance under this Agreement which (a) is beyond the reasonable control of the Transmission Provider and (b) was unable to be prevented or provided against by exercising Good Utility Practice or commercially reasonable efforts. In the event that the Transmission Provider suspended its performance, it shall resume its obligations under this Interconnection System Impact Study Agreement as soon as reasonably possible upon resolution of the Force Majeure Event. In the event that the Parties mutually agree to modify Transmission Provider's performance as a result of the Force Majeure Event, this Interconnection System Impact Study Agreement shall be modified in accordance with Section 7.12 herein.~~

7.4.4 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.

7.5 Force Majeure.

7.5.1 A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence (which does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to the additional requirement of a Force Majeure Written Notice set forth in Section 7.5.2.

7.5.2 A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall provide the Force Majeure Immediate Notice pursuant to Section 7.5.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written

Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set forth above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

7.6 Assignment. This ~~Interconnection System Impact~~Cluster Study Agreement shall not be assigned, conveyed or transferred to any third party unless the provisions of Section 4.3 of the LGIP have been satisfied and Transmission Provider consents to such assignment, conveyance or transfer in writing.

7.7 Governing Law. This Agreement was made and entered into in the City of Los Angeles and 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.

7.8 Venue. All litigation arising out of, or relating to this ~~Interconnection System Impact~~Cluster Study Agreement, shall be brought in a court of competent jurisdiction located in Los Angeles County, 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*.

7.9 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this ~~Interconnection System Impact~~Cluster Study Agreement, or with respect to any other matter arising in connection with said agreement, shall not be deemed a waiver with respect to any subsequent default or other mater arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

7.10 Binding Effect. This ~~Interconnection System Impact~~Cluster Study Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors or assigns, subject to Section~~s~~ 4.3 of the LGIP.

7.11 Attorney Fees and Costs. Both Parties agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorney fees and costs.

7.12 Entire Agreement. This Cluster Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This Agreement may be amended only by a written document signed by both Parties.

7.13 ~~This~~Signatures. This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

~~Interconnection System Impact Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This Agreement may be amended only by a written document signed by both Parties.~~

8.0 Termination or Withdrawal. Any request to terminate or withdraw from a study, expressly excepting any request for an extension of time on the ~~Interconnection System Impact~~Cluster Study not to exceed one year from the date that the

Transmission Provider commenced the study, shall be deemed as a withdrawal of the Interconnection Request in accordance with Section 3.~~6~~ 7 of the LGIP.

9.0 Term of Agreement. This agreement shall become effective on the day and year first above written and shall remain in effect for an initial term of one (1) year. The term of this agreement may be extended by mutual agreement of the Parties, provided, however, that in no event shall the total term of this agreement be longer than three (3) years from the day and year first above written.

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.

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

Attachment A to Appendix 3
~~Interconnection System Impact~~
Cluster Study Agreement

ASSUMPTIONS USED IN CONDUCTING
~~INTERCONNECTION SYSTEM IMPACT~~CLUSTER STUDY

The ~~Interconnection System Impact~~Cluster Study will be ~~performed using~~based upon the ~~data provided in Attachment A to Appendix 3 submitted by Interconnection Customer~~information set forth in the Interconnection Request and results of applicable prior Interconnection Studies, subject to any modifications in accordance with Section 4.4 of the LGIP and Section 1.4 of the SGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied~~:~~.

~~Designation of alternative Point(s) of Interconnection and configuration which Transmission Provider will evaluate only if a re-designation is required, subject to Sections 3.3.4, 7.2 and 7.6 of the LGIP:~~

~~Dynamic data (to be provided by Interconnection Customer) for each generator, governor, exciter, power system stabilizer, wind turbine and/or solar photovoltaic facility must be supplied in GE PSLF format.~~

~~[The above~~
[Above assumptions ~~are~~ to be completed by Interconnection Customer, and ~~any~~ other assumptions ~~that might~~to be provided by Interconnection Customer and~~/or~~ Transmission Provider ~~should be listed in the space below~~]

~~A System Impact Study will consist of power flow and transient analysis, and a short-circuit analysis. Each of these studies will be conducted and evaluated in accordance with the data provided in Appendix 1 and provisions as set forth in Appendix 3 of the LGIP.~~

~~Power Flow and Transient Studies will be performed using the latest General Electric (GE) PSLF program in line with WECC base cases.~~

~~Short-Circuit Study will be conducted using ASPEN software.~~

]

Note: All information below shall be considered preliminary at this time as it is subject to detailed design and verification later

1. **One-line Diagram/Configuration Layout of Interconnection Customer's Facility:**
   (To be provided by the Interconnection Customer)

2. **Interconnection Transmission Line Description**

Interconnection Line	R1 p.u. on 100 MVA base	X1 p.u on 100 MVA base	B p.u on 100 MVA base	R0 p.u on 100 MVA base	X0 p.u. on 100 MVA base

Interconnection Line	Length (mi.)	Conductor Type & Size	Normal Rating (MVA)	Emergency Rating (MVA)

R1, X1, B = positive sequence ,

R0, X0 = zero sequence

3. ~~Collector Substation~~Generator Step Up Transformer~~(s)~~ Equivalent

- Transformer winding vector group connection diagrams (ex: **D-Y, Y-D, Y-Y, Y-D-Y**);
- Neutral grounding impedance(s) if applied (ohms)

Transformer Name	Xfmr Rating (MVA)	R1 Pri. to Sec. on 100 MVA base	X1 Pri. to Sec. on 100 MVA base	R1 Pri. to tert. on 100 MVA base*	X1 Sec. to tert. on 100 MVA base*	R1 Sec. to tert. on 100 MVA base*	X1 Sec. to tert. on 100 MVA base*	Tertiary Winding Voltage*
		R0 Pri. to Sec. on 100 MVA base**	X0 Pri. to Sec. on 100 MVA base**	R0 Pri. to tert. on 100 MVA base*	X0 Pri. to tert. on 100 MVA base*	R0 Sec. to tert. on 100 MVA base*	X0 Sec. to tert. on 100 MVA base*	
	Vnorm (from)	Vnorm (to)	Tap (from)	Tap (to)	Variable Tap	Tap (max)	Tap (min)	Tap Step size

*** transformer tertiary winding (if applicable)**
**** with delta tertiary in service (if applicable)**
R1, X1 = positive sequence, R0, X0 = zero sequence

4. Collector System Cable Equivalent Impedance (one line for each collector feeder)

R1 p.u. on 100 MVA base	X1 p.u. on 100 MVA base	B p.u on 100 MVA base	R0 p.u on 100 MVA base	X0 p.u. on 100 MVA base	Rating (MVA) Cont. & Emergency

5. ~~Generator Step Up Transformer Equivalent~~ Collector Substation Transformers

- Transformer winding vector group connection diagrams
  (ex: D-Y, Y-D, Y-Y)
- Neutral grounding impedance(s) if applied (ohms and winding(s))

Transformer Name	TransformerRating (MVA)	R1 p.u. on 100 MVA base	X1 p.u. on 100 MVA base	R0 p.u. on 100 MVA base	X0 p.u. on 100 MVA base			
	Vnorm (from)	**Vnorm (to)**	**Tap (from)**	**Tap (to)**	**Variable Tap**	**Tap (max)**	**Tap (min)**	**Tap Step Size**

6. Generator Equivalent

Unit	Rated voltage (kV)	Rated power (MVA)	X''1 on 100 MVA Base (pu)	X"2 on 100 MVA Base (pu)	X"0 on 100 MVA Base (pu)	Pmax MW	Pmin MW	Qmax MVars	Qmin MVars	Regulated Bus
In the case of power electronic sources, steady state current limit for short circuit currents (A at rated voltage)										
			-	-	-					

***Qmax indicated is indicative of maximum reactive capability at Pmax**

X"1 = Positive Sequence (first cycle),
X"2 = Negative Sequence (first cycle)
X'0 = Zero Sequence (includes any neutral grounding impedance if applied)

7. Plant-level Reactive Power Compensation

Shunt Capacitor Power Compensation	Size (MVAR)

Shunt Reactor Power Compensation	**Size (MVAR)**

8. **Dynamic Data** (To be provided by the requestor)

All the appropriate dynamic data for each generator, governor, exciter, power system stabilizer, and/or wind turbine, photo-voltaic, and energy storage must be supplied in the GE PSLF format.

The dynamic model data provided shall be a WECC approved model.

9. Additional Data for Harmonic Study

- Inverter specification (Electrical Characteristics) sheet
- Harmonic Frequency Spectrum of the inverter ~~(preferably up to the 50th harmonic)~~
- ~~Solar array block detail~~
  - ~~i. Skid configuration~~
- ~~PV module specifications (Electrical characteristics) sheet~~
- ~~AC and DC cable length, rating, and type~~
- ~~Solar panel PSCAD model if available~~

- Main Transformer MVA rating under normal operating conditions

APPENDIX 4 to LGIP
INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT ~~("Agreement")~~ is made and entered into this___day of _____, 20__ by and between _____, a ~~limited liability company~~_____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") 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 ("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, Transmission Provider has completed ~~an Interconnection System Impact Study (the "System Impact Study")~~a 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 ~~Interconnection System Impact~~Cluster Study in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause an Interconnection Facilities Study consistent with Section 8.0 of this LGIP to be performed in accordance with the Tariff and any associated Business Practices.

2.1 Interconnection Customer shall provide (a) a demonstration of Site Control and (b) a Readiness Milestone Option or additional financial security payment in accordance with Section 8.1 of the LGIP.

3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.

4.0 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~~/fault duty~~, instability, power flow~~, reactive margin and, if required by Transmission Provider, harmonics and sub-synchronous resonance (SSR)~~ issues identified in the ~~Interconnection System Impact~~Cluster Study ~~and harmonics study.~~

~~5.0 Any remaining balance from~~ , as applicable, consistent with the type of Interconnection ~~Customer's initial deposit of $250,000 shall be used towards the performance of the Interconnection Facilities Study. If the remaining balance from the initial deposit is insufficient to cover all of the costs and expenses associated with the Interconnection Facilities Study, then the Transmission Provider shall invoice the Interconnection Customer for the difference between the remaining balance and Transmission Provider's good faith estimate and Interconnection Customer shall submit payment within thirty (30) Calendar Days. If Transmission Provider does not receive payment for the estimated balance from Interconnection Customer as required, the Interconnection Customer shall have the time prescribed in Section 3.6 of the LGIP to cure non-payment; provided that, if Interconnection Customer fails to cure its non-payment, Interconnection Customer's Interconnection Request shall be treated by Transmission Provider as withdrawn in accordance with Section 3.6 of the LGIP and Interconnection Customer shall be deemed in default of this Agreement. The time for completion of the Interconnection Facilities Study is specified in Attachment A~~Service requested.

~~Transmission Provider's good faith cost estimate is $100,000. If the good faith estimate provided by the Transmission Provider is less than~~ 5.0 Interconnection Customer shall pay the actual costs of the Interconnection Facilities Study ~~and Interconnection Customer's remaining balance~~. The time for completion of ~~its initial deposit is insufficient to cover all estimated or actual costs, then the~~ the Interconnection Facilities Study is specified in Attachment A.

Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice~~, subject~~. Transmission Provider shall continue to hold the ~~same terms and conditions set forth in~~ amounts on deposit until settlement of the ~~above paragraph of this Section 5.0~~final invoice.

~~Upon receipt of the executed Interconnection Facilities Study Agreement from Interconnection Customer, Transmission Provider shall deduct the estimated cost of the study against any remaining balance of Interconnection Customer's initial deposit and Interconnection Customer shall pay the actual costs of the Interconnection Facilities Study from its initial deposit; provided that, if the balance of Interconnection Customer's initial deposit is not sufficient to cover the actual costs of the study, Interconnection Customers shall pay for any study cost including re-study(ies) in accordance with the provisions of this Section 5.0.~~

6.0 Miscellaneous Provisions.

6.1 Indemnification. The Parties shall at all times indemnify, defend, and hold harmless the other Parties, their respective officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, ~~without limitation, business interruption, impairment of contract,~~ death, bodily injury or personal injury to any person, damage or destruction ~~or loss of use to or of~~to any property (financial, physical, or intellectual) by or to third parties (collectively, "Losses") arising by reason of or incident to or directly or indirectly related to the other Party's acts, errors or omissions, performance or non-performance or Breach of any of their obligations of or under this

Agreement, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

6.2 Accuracy of Information. The Interconnection Customer represents and warrants that, to the best of its knowledge and in accordance with Good Utility Practice, the information that it provides to the Transmission Provider in connection with this Interconnection Facilities Study Agreement and the Interconnection Facilities Study is accurate and complete. The Interconnection Customer acknowledges and accepts that it has a continuing obligation under this Interconnection Facilities Study Agreement to promptly provide the Transmission Provider with any additional information required to update the information previously provided within no less two (2) Business Days.

6.3 Disclaimer of Warranty; Limitation of Liability and Release. In performing or causing the Interconnection Facilities Study to be performed, the Transmission Provider may rely on the information provided by the Interconnection Customer and third parties, which Transmission Provider may not have any control over the veracity or accuracy of such information. For data, information and other studies submitted by the Interconnection Customer or obtained from third parties or industry sources, TRANSMISSION PROVIDER ~~HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE ELECTRIC INDUSTRY, OR OTHERWISE, INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.~~ SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

~~FURTHERMORE, TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY~~

~~CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.~~

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR ~~COMMOM~~ COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

Upon execution of this Interconnection Facilities Study Agreement, the Interconnection Customer acknowledges and accepts that it has not relied on any representations or warranties not specifically set forth herein.

6.4 Representations and Warranties. ~~The Interconnection Customer represents and warrants that it is free to enter into this Agreement and to perform each of the terms and covenants of it. The Interconnection Customer further represents and warrants that it is not restricted or prohibited contractually or otherwise, from entering into and performing this Agreement, and that the execution and performance of this Agreement by Interconnection Customer will not constitute a violation or breach of any~~

~~other agreement between it and any other person or entity.~~Each Party makes the following representations, warranties and covenants:

~~6.5 Force Majeure. If a Force Majeure Event prevents the Transmission Provider from fulfilling any obligations under this Interconnection Facilities Study Agreement, Transmission Provider shall promptly notify the Interconnection Customer in writing, and shall suspend or modify its performance under said agreement until the Force Majeure Event, to the extent that the effect of the Force Majeure Event cannot be mitigated by use of Good Utility Practice or commercially reasonable efforts. For purposes of this Interconnection Facilities Study Agreement, a "Force Majeure Event" means any event or circumstance caused by reason of Force Majeure that prevents or delays Transmission Provider's performance under this Agreement which (a) is beyond the reasonable control of the Transmission Provider and (b) was unable to be prevented or provided against by exercising Good Utility Practice or commercially reasonable efforts. In the event that the Transmission Provider suspended its performance, it shall resume its obligations under this Interconnection Facilities Study Agreement as soon as reasonably possible upon resolution of the Force Majeure Event. In the event that the Parties mutually agree to modify Transmission Provider's performance as a result of the Force Majeure Event, this Interconnection Facilities~~ 6.4.1 Good Standing. Such Party is duly organized, validly existing and, in the case of the Interconnection Customer, in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located**;** and that it has legal 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.

6.4.2 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), and, in the case of the Transmission Provider, the limitations on legal remedies against municipal corporations in the State of California.

6.4.3 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.

6.4.4 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.

6.5 Force Majeure.

6.5.1 A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence (which does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to the additional requirement of a Force Majeure Written Notice set forth in Section 6.5.2.

6.5.2 A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall provide the Force Majeure Immediate Notice pursuant to

Section 6.5.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set forth above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

~~**Study Agreement** shall be modified in accordance with Section 6.12 herein.~~

6.6 Assignment. This Interconnection Facilities Study Agreement shall not be assigned, conveyed or transferred to any third party unless the provisions of Section 4.3 of the LGIP have been satisfied and Transmission Provider consents to such assignment, conveyance or transfer in writing.

6.7 Governing Law. This Agreement was made and entered into in the City of Los Angeles and 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.

6.8 Venue. All litigation arising out of, or relating to this Interconnection Facilities Study Agreement, shall be brought in a court of competent jurisdiction located in Los Angeles County, 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.*

6.9 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this Interconnection Facilities Study Agreement, or with respect to any other matter arising in connection with said agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

6.10 Binding Effect. This Interconnection Facilities Study Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors or assigns, subject to Section 4.3 of the LGIP.

6.11 Attorney Fees and Costs. Both Parties agree that in any action to enforce the terms of this agreement that each Party shall be responsible for its own attorney fees and costs.

6.12 Entire Agreement. This Interconnection Facilities Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This agreement may be amended only by a written document signed by both Parties.

6.13 Signatures. This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

7.0 Termination or Withdrawal. Any request to terminate or withdraw from a study, expressly excepting any request for an extension of time on the Interconnection Facilities Study not to exceed one year from the date that the Transmission Provider commenced the study, shall be deemed as a withdrawal of the Interconnection Request in accordance with Section 3.~~6~~ 7 of the LGIP.

8.0 Term of Agreement. This agreement shall become effective on the day and year first above written and shall remain in effect for an initial term of one (1) year. The term of this agreement may be extended by mutual agreement of the Parties, provided, however, that in no event shall the total term of this agreement be longer than three (3) years from the day and year first above written.

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.

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

By: _____

Title: _____

Date: _____

INTERCONNECTION CUSTOMER

By: _____

Title: _____

Date: _____

Attachment A to Appendix 4
Interconnection Facilities
Study Agreement

INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR CONDUCTING THE INTERCONNECTION FACILITIES STUDY

Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after of receipt of an executed copy of this Interconnection Facilities Study Agreement:

- ~~one hundred twenty (120~~ - ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report, or

- one hundred eighty (180) Calendar Days with no more than a +/- 10 percent cost estimate contained in the report.

~~Notwithstanding any margin of error identified above for any cost estimate, Interconnection Customer shall be responsible for any and all cost related or connected to the Interconnection Request, Transmission Provider's Interconnection Facilities and necessary upgrades, Common Facilities, and Interconnection Customer's Interconnection Facilities.~~

Attachment B to Appendix 4
Interconnection Facilities
Study Agreement

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, etc.

One set of metering is required for each generation connection to the new ring bus 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 location of auxiliary power. (Minimum load on CT/PT) Amps

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, control equipment, and/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:

_____

Bus 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:

Begin Construction	Date: _____
Generator step-up transformer receives back feed power	Date: _____
Generation Testing	Date: _____
Commercial Operation	Date: _____

APPENDIX 5 to LGIP
~~OPTIONAL~~SURPLUS INTERCONNECTION SERVICE SYSTEM IMPACT STUDY AGREEMENT

THIS AGREEMENT ~~("Agreement")~~ is made and entered into this_____ day of ____, 20___ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") 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 ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, in accordance with a request submitted to the Transmission Provider on _____Interconnection Customer is proposing to ~~develop~~ utilize Surplus Interconnection Service associated with a Large Generating Facility ~~or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by~~operating under an LGIA between _____("Original Interconnection Customer") and Transmission Provider dated~~_____;_____;~~

WHEREAS, Interconnection Customer ~~is proposing to establish an interconnection~~desires to utilize Surplus Interconnection Service of an existing Generating Facility interconnected with the Transmission System; and

WHEREAS, Interconnection Customer has ~~submitted~~requested Transmission Provider to ~~Transmission Provider an Interconnection Request; and~~

~~**WHEREAS,** on or after the date when~~perform a Surplus Interconnection ~~Customer receives the~~ Service System Impact Study to assess the impact of utilization of Surplus Interconnection ~~System Impact Study results, Interconnection Customer has further requested that Transmission Provider prepare an Optional Interconnection Study;~~Service on the Transmission System, and any Affected Systems.

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

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause ~~an Optional~~to be performed a Surplus Interconnection Service System Impact Study consistent with Section ~~10.0~~3 of this LGIP ~~to be performed in accordance with the Tariff~~and any associated Business Practices as posted on Transmission Provider on its OASIS site.

3.0 The scope of the ~~Optional~~Surplus Interconnection Service System Impact Study shall be subject to the assumptions ~~provided by Interconnection Customer to be attached to this Agreement as Attachment A.~~

~~4.0 The Optional Interconnection Study shall be performed solely for informational purposes.~~

~~5.0 The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by Interconnection Customer~~ set forth in Attachment A to this Agreement. ~~The Optional Interconnection Study will identify Transmission Provider's Interconnection Facilities, Common 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 its Attachment A.~~

~~6.0 Interconnection Customer shall provide a deposit of $10,000 for the performance of the Optional~~ 4.0 The Surplus Interconnection Service System Impact Study will be performed based on the requirements of Section 3 of Transmission Provider's LGIP and the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 4.4 of the 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 Surplus Interconnection Service System Impact Study. If Interconnection Customer modifies its Interconnection Request, or the technical information provided therein is modified, the time to complete the Surplus Interconnection Service System Impact Study may be extended.

5.0 The Surplus Interconnection ~~Study.~~Service System Impact 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.

6.0 Transmission Provider's good faith estimate for the time of completion of the ~~Optional~~Surplus Interconnection Service System Impact Study is _____, 20_____.

~~Upon receipt of the Optional~~ Interconnection Customer's deposit for the Surplus Interconnection Service System Impact Study~~,~~ shall be the same $10,000 provided by the Interconnection Customer as part of the Surplus Interconnection Service Request.

Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the ~~Optional~~Surplus Interconnection Service System Impact 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.

7.0 Miscellaneous Provisions.

7.1 Indemnification. The ~~Interconnection Customer~~Parties shall at all times indemnify, defend, and hold harmless the ~~Transmission Provider, its~~other Parties, their respective officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, ~~without~~

~~limitation, business interruption,~~ death, bodily injury or personal injury to any person, damage or destruction ~~or loss of use to or of~~to any property (financial, physical, or intellectual) by or to third parties (collectively, "Losses") arising by reason of or incident to or directly or indirectly related to ~~Transmission Provider performing~~the other Party's acts, errors or omissions, performance or non-performance or ~~causing to be performed the Optional Interconnection Study in whole~~ Breach of any of their obligations of or ~~in part~~ under this Agreement ~~on behalf of the Interconnection Customer~~, except in cases of gross negligence or intentional wrongdoing by the ~~Transmission Provider~~indemnified Party.

7.2 Accuracy of Information. The Interconnection Customer represents and warrants that, to the best of its knowledge and in accordance with Good Utility Practice, the information that it provides to the Transmission Provider in connection with this ~~Optional~~Surplus Interconnection Service System Impact Study Agreement and the ~~Interconnection System Impact~~Cluster Study is accurate and complete. The Interconnection Customer acknowledges and accepts that it has a continuing obligation under this Surplus Interconnection Service System Impact Study Agreement to promptly provide the Transmission Provider with any additional information required to update the information previously provided within no less than forty-eight (48) hours.

7.3 Disclaimer of Warranty; Limitation of Liability and Release. In performing or causing the ~~Optional~~Surplus Interconnection System Impact Study to be performed, the Transmission Provider may rely on the information provided by the Interconnection Customer and third parties, which Transmission Provider may not have any control over the veracity or accuracy of such information. For data, information and other studies submitted by the Interconnection Customer or obtained from third parties or industry sources, TRANSMISSION PROVIDER ~~HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE ELECTRIC INDUSTRY, OR OTHERWISE, INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.~~ SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW

OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

~~FURTHERMORE, TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.~~

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED ~~THIS~~HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON~~M~~ LAW PRINCIPLES OF SIMILAR EFFECT.

Upon execution of this ~~Optional~~Surplus Interconnection System Impact Study Agreement, the Interconnection Customer acknowledges and

accepts that it has not relied on any representations or warranties not specifically set forth herein.

7.4 Representations and Warranties. ~~The~~ Each Party makes the following representations, warranties and covenants:

7.4.1 Good Standing. Such Party is duly organized, validly existing and, in the case of the Interconnection Customer ~~represents and warrants~~, in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is ~~free~~qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located**;** and that it has legal power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and ~~to~~ carry out the transactions contemplated hereby and perform ~~each of the terms and covenants of it. The Interconnection Customer further represents and warrants that it is not restricted or prohibited contractually or otherwise, from entering into and performing~~and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement~~, and that the~~ .

7.4.2 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), and, in the case of the Transmission Provider, the limitations on legal remedies against municipal corporations in the State of California.

7.4.3 No Conflict. The execution, delivery and performance of this Agreement ~~by Interconnection Customer will not constitute a violation or breach of any other agreement between it and any other person or entity~~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.

~~7.5 Force Majeure. If a Force Majeure Event prevents the Transmission Provider from fulfilling any obligations under this Optional Interconnection Study Agreement, Transmission Provider shall promptly notify the Interconnection Customer in writing, and shall suspend or modify its performance under said agreement until the Force Majeure Event, to the extent that the effect of the Force Majeure Event cannot be mitigated by use of Good Utility Practice or commercially reasonable efforts. For purposes of this Optional Interconnection Study Agreement, a "Force Majeure Event" means any event or circumstance caused by reason of Force Majeure that prevents or delays Transmission Provider's performance under this Agreement which (a) is beyond the reasonable control of the Transmission Provider and (b) was unable to be prevented or provided against by exercising Good Utility Practice or commercially reasonable efforts. In the event that the Transmission Provider suspended its performance, it shall resume its obligations under this Optional Interconnection Study Agreement as soon as reasonably possible upon resolution of the Force Majeure Event. In the event that the Parties mutually agree to modify Transmission Provider's performance as a result of the Force Majeure Event, this Optional Interconnection Study Agreement shall be modified in accordance with Section 7.12 herein.~~

7.4.4 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.

7.5 Force Majeure.

7.5.1 A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence (which does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other

labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to the additional requirement of a Force Majeure Written Notice set forth in Section 7.5.2.

7.5.2 A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall provide the Force Majeure Immediate Notice pursuant to Section 7.5.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set forth above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

7.6 Assignment. This ~~Optional~~Surplus Interconnection System Impact Study Agreement shall not be assigned, conveyed or transferred to any third party unless the provisions of Section 4.3 of the LGIP have been satisfied and Transmission Provider consents to such assignment, conveyance or transfer in writing.

7.7 Governing Law. This Agreement was made and entered into in the City of Los Angeles and 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.

7.8 Venue. All litigation arising out of, or relating to this ~~Optional~~Surplus Interconnection System Impact Study Agreement, shall be brought in a court of competent jurisdiction located in Los Angeles County, 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.*

7.9 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this ~~Optional~~Surplus Interconnection System Impact Study Agreement, or with respect to any other matter arising in connection with said agreement, shall not be deemed a waiver with respect to any subsequent default or other mater arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

7.10 Binding Effect. This ~~Optional~~Surplus Interconnection System Impact Study Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors or assigns, subject to Section~~s~~ 4.3 of the LGIP.

7.11 Attorney Fees and Costs. Both Parties agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorney fees and costs.

7.12 Entire Agreement. ~~This Optional Interconnection~~This Surplus ~~Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This Agreement may be amended only by a written document signed by both Parties.~~

Interconnection System Impact Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the

subject matter herein. This Agreement may be amended only by a written document signed by both Parties.

7.13 Signatures. This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

8.0 Term of Agreement. This agreement shall become effective on the day and year first above written and shall remain in effect for an initial term of one (1) year. The term of this agreement may be extended by mutual agreement of the Parties, provided, however, that in no event shall the total term of this agreement be longer than three (3) years from the day and year first above written.

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.

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

OATT Effective [Insert]

Date: _____

Attachment A To Appendix 5
Surplus Interconnection Service System Impact Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE SURPLUS INTERCONNECTION SERVICE SYSTEM IMPACT STUDY

The Surplus Interconnection Service System Impact Study will be based upon the results of the Original Interconnection Customer's system impact study (if any) or Cluster Study, and the following assumptions:

Existing Point of Interconnection of Original Interconnection Customer:

Note: For Surplus Interconnection Service requests, the request cannot exceed the type of Interconnection Service already provided by the Original Interconnection Customer's LGIA.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

APPENDIX 6 TO LGIP

~~FORM~~ LARGE GENERATOR INTERCONNECTION AGREEMENT

Appendix 6 to the Large Generator Interconnection Procedures

FORM OF LARGE GENERATOR

INTERCONNECTION AGREEMENT (LGIA)

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LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS LARGE GENERATOR INTERCONNECTION AGREEMENT ("Agreement") is made and entered into this ____ day of _____ 20__, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), and the Department of Water and Power of the City of Los Angeles, a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California ("Transmission Provider" and/or "Transmission Owner"). Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

Recitals:

WHEREAS, Transmission Provider operates the Transmission System; and

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

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

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

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

Article 1~~.~~: Definitions

~~**In addition to the other terms defined within this LGIA, the following terms, whether in the singular or plural, when used herein and in the appendices attached to this Large Generator Interconnection Agreement and initially capitalized, shall have the meanings specified below:**~~

~~~~**Adverse System Impact** ~~**shall**~~**:**

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

Affected System ~~**shall**~~**:**

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

Affected System Operator ~~**shall**~~**:**

Shall mean the entity that operates an Affected System.

Affiliate ~~**shall**~~**:**

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

Ancillary Services ~~**shall**~~**:**

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

Applicable Laws and Regulations ~~**shall**~~**:**

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

Applicable Reliability Council ~~shall~~:

Shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards ~~shall~~:

Shall mean the ~~standards,~~ requirements~~, criteria~~ and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case ~~shall~~:

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

Breach ~~shall~~:

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

Breaching Party ~~shall~~:

Shall mean a Party that is in Breach of the Large Generator Interconnection Agreement.

Business Day ~~shall~~:

Shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day ~~shall~~:

Shall mean any day including Saturday, Sunday or a Federal Holiday.

~~**Capital Expenses** is defined in Article 9.9.2 of this Agreement.~~

~~**Capital Improvements** shall mean any unit of property added to the Transmission Provider's Interconnection Facilities, the enlargement or betterment of any unit of property constituting a part of the Transmission Provider's Interconnection Facilities, and the replacement of any unit of property constituting~~

~~a part of the Transmission Provider's Interconnection Facilities, irrespective of whether such replacement constitutes an enlargement or betterment of that which it replaces, which such additions, betterments and replacement in accordance with standard accounting practices used by the Transmission Provider would be capitalized.~~

Cluster:

Shall mean a group of Interconnection Requests (one or more) that are studied together for the purpose of conducting the Cluster Study.

Cluster Area:

Shall mean the areas of the Transmission Provider's Transmission System that are included together in a Cluster, as described further in Section 7.4 of the LGIP.

Cluster Request Window:

Shall have the meaning set forth in Section 4.2.1 of the LGIP.

Cluster Re-Study:

Shall mean a re-study of a Cluster Study conducted pursuant to Section 7.4 of the LGIP.

Cluster Re-Study Report:

Shall mean the report issued following completion of a Cluster Re-Study pursuant to Section 7.5 of the LGIP.

Cluster Re-Study Meeting:

Shall mean the meeting held to discuss the results of a Cluster Re-Study pursuant to Section 7.5 of the LGIP.

Cluster Study:

Shall mean an Interconnection Study evaluating one or more Interconnection Requests within a Cluster, as described in more detail in Section 7.4 of the LGIP.

Cluster Study Agreement:

Shall mean the form of agreement contained in Appendix 3 to the Large Interconnection Procedures for conducting the Cluster Study.

Cluster Study Report:

Shall mean the report issued following completion of a Cluster Study pursuant to Section 7.4 of the LGIP.

Cluster Study Report Meeting:

Shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7.4 of the LGIP.

Clustering ~~shall~~:

Shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, ~~for the purpose of conducting the Interconnection System Impact Study~~as described in more detail in Section 7 of the LGIP.

Commercial Operation ~~shall~~:

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

Commercial Operation Date ~~of~~:

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

~~**Common Facilities** shall mean those certain facilities described in Exhibit 1 of Appendix H to the Large Generator Interconnection Agreement.~~

~~**Common Facilities Use Fee** shall mean the one-time payment by Interconnection Customer for the non-exclusive use and benefit of the Common Facilities, as described in Appendix H to the Large Generator Interconnection Agreement.~~

Confidential Information ~~shall~~:

Shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, ~~including any competitively sensitive, commercial or financial information,~~ which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Control Area ~~shall~~:

Shall mean ~~the collection~~an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation~~, transmission, and loads within the metered boundaries~~ to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the ~~Balancing Authority. The~~interconnection. A Control Area ~~Operator maintains load-resource balance within this area~~must be certified by the Applicable Reliability Council.

~~**Control Area Operator** shall mean the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Control Area, and supports Interconnection frequency in real time.~~

~~**Critical Energy Infrastructure Information or CEII** shall mean specific engineering, vulnerability, or detailed design information about proposed or existing Critical Infrastructure that: (i) relates details about the production, generation, transportation, transmission, or distribution of energy; (ii) could be useful to a person in planning an attack on Critical Infrastructure; (iii) is exempt from mandatory disclosure under the Freedom of Information Act, 5 U.S.C. § 552; and (iv) does not simply give the general location of the Critical Infrastructure.~~

~~**Critical Infrastructure** shall mean existing and proposed systems and assets, whether physical or virtual, the incapacity or destruction of which would negatively affect security, economic security, public health or safety, or any combination of those matters.~~

~~**Default shall:**~~

Shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Large Generator Interconnection Agreement.

Dispute Resolution ~~shall~~:

Shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis~~, as set forth in Article 27 herein~~.

Distribution System ~~shall~~:

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

Distribution Upgrades ~~shall~~:

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

Effective Date ~~shall~~:

Shall mean the date on which the Large Generator Interconnection Agreement becomes effective upon execution by the Parties.

Emergency Condition ~~shall~~:

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

Energy Resource Interconnection Service ~~shall~~:

Shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or non-firm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey ~~Transmission Service~~transmission service.

Engineering & Procurement (E&P) Agreement ~~shall~~:

Shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law ~~shall~~:

Shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act ~~shall~~:

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

FERC ~~shall~~:

Shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Force Majeure ~~shall~~:

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

Generating Facility ~~shall~~:

Shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity ~~shall~~:

Shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice ~~shall~~:

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. ~~For purposes of clarification, the term "Good Utility Practice" shall include compliance with Applicable Reliability Standards.~~

Governmental Authority ~~shall~~:

Shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer ~~or any Affiliate thereof~~, Transmission Provider, or any Affiliate thereof. In this context Transmission Provider does not include the City of Los Angeles or the Board of Water and Power Commissioners. Transmission Provider only includes the Department of Water and Power.

Hazardous Substances ~~shall~~:

Shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar

meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Informational Interconnection Study:

Shall mean an analysis based on assumptions specified by Interconnection Customer in the Informational Interconnection Study Agreement and conducted pursuant to Section 6 of the LGIP.

Informational Interconnection Study Agreement:

Shall mean the form of agreement contained in Appendix 2A to the Large Generator Interconnection Procedures for conducting the Informational Interconnection Study.

Informational Interconnection Study Request:

Shall mean an Interconnection Customer's request in the form of Appendix 2 to the Large Generator Interconnection Procedures.

Initial Synchronization Date ~~shall~~:

Shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date ~~shall~~:

Shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer ~~shall~~:

Shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System. For purposes of the Transmission Provider's Cluster Study process conducted pursuant to Section 7 of the LGIP, and except as modified by Section 3 of Attachment N of the Transmission Provider's Tariff, "Interconnection Customer" shall also mean any Small Generating Facility that is participating in a Cluster.

Interconnection Customer's Interconnection Facilities ~~(or ICIF) shall~~:

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

Interconnection Facilities ~~shall~~:

Shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades. Interconnection Facilities may be shared by more than one Generating Facility in a Cluster.

Interconnection Facilities Study ~~shall~~:

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

Interconnection Facilities Study Agreement ~~shall~~:

Shall mean the form of agreement contained in Appendix 4 of the Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

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

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

Interconnection Request ~~**shall**~~**:**

Shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Large Generator Interconnection Procedures, ~~subject to the Transmission Provider's~~in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System. For purposes of the Transmission Provider's Cluster Study process conducted pursuant to Section 7 of the LGIP, and except as modified by Section 1.3 of Attachment N of the Transmission Provider's Tariff, "Interconnection Request" shall also mean any interconnection request from a Small Generating Facility that is participating in a Cluster.

Interconnection Service ~~**shall**~~**:**

Shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Large Generator Interconnection Agreement and, ~~subject to~~if applicable, the Transmission Provider's Tariff.

Interconnection Study ~~**shall**~~**:**

Shall mean any of the following studies: the Informational Interconnection ~~Feasibility~~ Study, the Cluster Study, Surplus Interconnection Service System Impact Study, and the Interconnection Facilities Study described in the Large Generator Interconnection Procedures.

~~**Interconnection System Impact Study** shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Large Generator Interconnection Procedures.~~

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

~~**IRS shall:**~~

Shall mean the Internal Revenue Service.

Joint Operating Committee ~~shall~~:

Shall be a group made up of representatives from Interconnection Customer and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility ~~shall~~:

Shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

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

~~**Large Generator Interconnection Procedure (LGIP)** shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff.~~

~~**Loss shall:**~~

Shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, ~~expert witness and consultant 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 Large Generator Interconnection Agreement on behalf of the ~~indemnifying~~Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the ~~indemnifying~~Indemnifying Party.

Material Modification ~~shall~~:

Shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date ~~or that cause a system impact.~~.

Metering Equipment ~~shall~~:

Shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC ~~shall~~:

Shall mean the North American Electric Reliability Corporation or ~~the~~its successor ~~electric reliability~~ organization.

Network Resource ~~shall~~:

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

Network Resource Interconnection Service ~~shall~~:

Shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers. Network Resource Interconnection Service in and of itself does not convey ~~Transmission Service~~transmission service.

Network Upgrades ~~shall~~:

Shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute ~~shall~~:

Shall mean a written notice of a dispute or claim that arises out of or in connection with the Large Generator Interconnection Agreement or its performance.

~~**Operating Work** shall mean all work undertaken by the Transmission Provider required for the operation and maintenance of the Interconnection Facilities and Common Facilities including, but not limited to, all planning, engineering, design, acquisition, contract preparation and administration, legal services, regulatory compliance, purchasing, procurement, repair, supervision, training, expediting, inspection, budgeting, procurement and maintenance of insurance, testing, protection, operation, outage scheduling, retirement, maintenance, modification, relocation, preparation of operating procedures and manuals, securing requisite permits, license, approvals and certificates from governmental entities and authorities, and any work undertaken by the Transmission Provider, that is required by this Agreement, Good Utility Practice, or necessary for the safe and reliable operation of the Interconnection Facilities, the Common Facilities, and all associated facilities; any work necessitated by an Emergency; and work undertaken to make any Capital Improvements.~~

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

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

Party or Parties ~~shall~~:

Shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership ~~shall~~:

Shall mean the point, as set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

~~**Point of Delivery** shall have the meaning ascribed in the Tariff.~~

~~**Point of Interconnection shall:**~~

Shall mean the point, as set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

~~**Point of Receipt** shall have the meaning ascribed in the Tariff.~~

Provisional Interconnection Service:

Shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement:

Shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position ~~shall~~:

Shall mean 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 the Transmission Provider. For purposes of this definition, Transmission Provider shall consider an Interconnection Request to be valid on the date that the~~ Interconnection Customer ~~has satisfied~~satisfies all of the requirements of ~~Section~~Sections 3~~.3.1 of the Large Generator Interconnection Procedures~~, 4, and 7 of Transmission Provider's LGIP to enter the Cluster Study Process.

Reasonable Efforts ~~shall~~:

Shall mean, with respect to an action required to be attempted or taken by a Party under the Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility

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

Readiness Milestone Options:

Shall mean the options set forth in Section 3.4.1(v) of the LGIP.

Resource Plan:

Shall mean any process authorized or required by Applicable Laws and Regulations for, inter alia, the selection of Generating Facilities.

Resource Solicitation Process:

Shall mean any process authorized or required by Applicable Laws and Regulations for the acquisition of Network Resources.

Scoping Meeting ~~shall~~:

Shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing the proposed interconnection request, alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to ~~impact~~affect such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control ~~shall~~:

Shall mean ~~documentation reasonably demonstrating~~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 ~~for the purpose of constructing~~of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold ~~site for such purpose~~interest in a site of sufficient size to construct and operate the Generating Facility; or (3) ~~an exclusivity or other business relationship between~~any other documentation that clearly demonstrates the right of the Interconnection Customer ~~and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or~~to exclusively occupy a site ~~for such purpose~~of sufficient size to construct and operate the Generating Facility. Site Control for any co-

located project is demonstrated by a contract or other agreement demonstrating shared land use for all co-located projects that meet the aforementioned provisions of this Site Control definition.

Small Generating Facility ~~shall~~:

Shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades ~~shall~~:

Shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Large Generator Interconnection Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

~~**Standards of Conduct** shall mean those standards implemented by Transmission Provider that govern its transmission functions as well as communication of certain information.~~

Surplus Interconnection Service System Impact Study:

Shall mean an engineering study that evaluates the impact of a proposed request for Surplus Interconnection Service on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Large Generator Interconnection Procedures.

Surplus Interconnection Service System Impact Study Agreement:

Shall mean the form of agreement contained in Appendix 5 of the Large Generator Interconnection Procedures for conducting a system impact study for purposes of evaluating a request for Surplus Interconnection Service pursuant to Section 3.3 of the LGIP.

Surplus Interconnection Service:

Shall mean any unneeded portion of Interconnection Service established in a 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 Protection Facilities ~~**shall**~~:

Shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff ~~**shall**~~**:**

Shall mean the Transmission Provider's Tariff through which open access ~~Transmission Service (also known as the Open Access Transmission Tariff or OATT)~~transmission service and Interconnection Service are offered, as amended or supplemented from time to time, or any successor tariff.

~~**Transmission Operator** shall mean the entity that operates or directs the operations of the Transmission System.~~

~~**Transmission Owner** **shall:**~~

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

Transmission Provider ~~**shall**~~**:**

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

Transmission Provider's Interconnection Facilities ~~**shall**~~:

Shall mean all facilities and equipment owned, controlled or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Large Generator Interconnection Agreement, ~~which appendix may be updated from time to time,~~ including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades. Transmission Provider's Interconnection Facilities may be shared by more than one Generating Facility in a given Cluster Study.

~~**Transmission Service** shall mean those services provided to the Transmission Customer under the Transmission Provider's Tariff to move energy from a Point of Receipt to a Point of Delivery.~~

~~**Transmission System shall:**~~

Shall mean the ~~alternating current transmission~~ facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide ~~Transmission Service~~transmission service under the Tariff.

Trial Operation ~~**shall:**~~

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

Variable Energy Resource ~~**shall:**~~

Shall mean a device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

~~**WECC** shall mean the Western Electricity Coordinating Council or its successor.~~

~~**WECC Criteria** shall mean those approved regional standards and Applicable Reliability Standards established and implemented by WECC, as such criteria may change from time to time.~~

Withdrawal Penalty:

Shall have the meaning set forth in Section 3.7.1 of the LGIP.

Article 2~~.~~: Effective Date, Term, and Termination

2.1 Effective Date~~. Subject to Article 5.17.10 clause (ii), this~~:

This LGIA shall become effective upon execution by the Parties.

2.2 Term of Agreement~~. This~~:

Subject to the provisions of Article 2.3, this LGIA shall remain in effect: (i) for a period of ten (10) years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter~~, unless terminated by Transmission Provider or Interconnection Customer pursuant to Article 2.3; or (ii) until the Generating Facility permanently ceases Commercial Operation, subject to Articles 2.4, 2.5 and 2.6~~.

2.3 Termination Procedures~~.~~:

2.3.1 Written Notice~~. ~~:

This LGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice~~.~~ or by Transmission Provider if the Generating Facility permanently ceases Commercial Operation. This LGIA ~~may~~shall be terminated by Transmission Provider if the Generating Facility ~~permanently ceases Commercial Operation~~or a portion of the Generating Facility fails to achieve Commercial Operation by the Commercial Operation Date established in accordance with Section 4.4.5 of the LGIP, including any extension provided thereunder, or, having previously achieved Commercial Operation, has ceased Commercial Operation for three (3) consecutive years, beginning with the last date of Commercial Operation for the Generating Facility, after giving Interconnection Customer ninety (90) Calendar Days advance written notice. When only a portion of the Generating Facility fails to achieve Commercial Operation by the Commercial Operation Date established in accordance with Section 4.4.5 of the LGIP, including any extension provided thereunder, Transmission Provider shall terminate only that portion of the LGIA. Notwithstanding the foregoing, in the limited circumstance that the Interconnection

Request is served by a Contingent Facility with an in-service date that is later than the Commercial Operation Date permitted under Section 4.4.5 of the LGIP, Transmission Provider shall terminate this LGIA only for failure to achieve Commercial Operation by ninety (90) Calendar Days after that later in-service date of the Contingent Facility. The Generating Facility will not be deemed to have ceased Commercial Operation for purposes of this Article 2.3.1 if Interconnection Customer can document that it has taken other significant steps to maintain or restore operational readiness of the Generating Facility for the purpose of returning the Generating Facility to Commercial Operation as soon as possible.

2.3.2 Default~~.~~ :

Either Party~~, as a non-Breaching Party,~~ may terminate this LGIA ~~if the other, as a Breaching Party, fails to cure a Breach~~ in accordance with Article 17.~~1.2.~~

2.3.3 Notwithstanding Articles 2.3.1 and 2.3.2~~, no~~:

No termination shall ~~supersede any rights and obligations set forth in Articles 2.6 and 17.1.2;~~become effective until the Parties ~~shall comply~~have complied with all Applicable Laws and Regulations and satisfy all outstanding obligations incurred prior to and through the noticed date of termination.

2.4 Termination Costs~~. Within sixty (60) Calendar Day prior~~:

If a Party elects to ~~the termination date of this LGIA or as soon as practical, Transmission Provider~~terminate this Agreement pursuant to Article 2.3 above, each Party shall ~~determine each Party's total cost responsibility for terminating and disconnecting the Generating Facility from Transmission Provider's Interconnection Facilities and shall invoice Interconnection Customer for its proportion of~~pay all costs ~~arising from, related to or resulting from the termination of this LGIA and disconnection of the Interconnection Customer's Interconnection Facilities from Transmission Provider's Interconnection Facilities~~ incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party~~). The~~, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages~~,~~ ~~penalties~~ and charges arising as a consequence of termination. Upon termination of this LGIA:

2.4.1:

With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or ~~terminate any~~ contracts for construction of, such facilities ~~and Interconnection Customer shall be liable for any cost or penalty associated with such cancellation, termination or return~~; provided~~, however~~ that, in the event Interconnection Customer elects not to authorize ~~or delays authorization of~~ such cancellation~~, return or termination,~~ Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment ~~to Interconnection Customer,~~ and, if necessary, ~~Transmission Provider shall~~ assign ~~and Interconnection Customer shall assume liability for~~ such contracts to Interconnection Customers as soon as practicable, at Interconnection Customer's expense ~~including any cost or penalties associated with changes in location and delivery terms~~. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return of such materials, equipment, or contracts.

~~Notwithstanding any provision of this Article 2.4,~~If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs ~~and penalties~~ incurred in association with that Interconnection Customer's ~~Interconnection Request and Interconnection Service and termination of Interconnection Service and disconnection of facilities~~interconnection, including any cancellation costs ~~and/or penalties~~ relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2:

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

2.4.3:

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

2.5 Disconnection~~.~~ :

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

2.6 Survival~~.~~ :

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

Article 3~~. Reserved~~: Regulatory Filings

3.1 Filing:

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

Article 4~~.~~ : Scope of Service

4.1 Interconnection Product Options~~. At the time the Interconnection Request was submitted,~~ :

Interconnection Customer has selected the following (checked) type of Interconnection Service:

~~.~~4.1.1 Energy Resource Interconnection Service~~.~~ :

4.1.1.1 The Product~~.~~ :

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

4.1.1.2 Transmission Delivery Service Implications~~.~~ :

Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. ~~Under the terms and conditions of this LGIA, no Transmission Service from the Large Generating Facility into or across Transmission Provider's Transmission System is being offered.~~ Where eligible to do so (e.g., PJM, ISO-NE, NYISO), Interconnection Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration

Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, ~~Transmission Service~~transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at such time as a ~~Transmission Service~~transmission service request is made that would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.

4.1.2 Network Resource Interconnection Service~~.~~:

4.1.2.1 The Product~~.~~ :

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

4.1.2.2 Transmission Delivery Service Implications~~.~~ :

Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a

reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be consistent with traditional principles, processes and procedures of cost-of-service ratemaking.

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

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

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

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

4.2 Provision of Service~~.~~ :

Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

4.3 Performance Standards~~.~~ :

Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a Transmission Provider or Transmission Owner, then that Party shall amend the LGIA accordingly. Additionally, the Interconnection Customer shall have a continuing duty to comply with Attachment O of this Tariff, as applicable.

4.4 No Transmission Delivery Service~~.~~ :

The execution of this LGIA does not constitute a request for, nor the provision of, any ~~Transmission Service~~transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.5 Interconnection Customer Provided Services~~.~~ :

The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 ~~(Reactive Power)~~ and Article 13.5.1 ~~(Emergency Condition).~~ Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5~~.~~ : Interconnection Facilities Engineering, Procurement, and Construction

5.1 Options~~.~~ :

Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and ~~the Standard Option set forth below for completion of Transmission Provider's Interconnection Facilities and Network Upgrades as set forth in Appendix A, Interconnection Facilities and Network Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones~~either the Standard Option or Alternate Option set forth below and such dates and selected option shall be set forth in Appendix B, Milestones. At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to Transmission Provider, the Interconnection Customer shall notify Transmission Provider within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

5.1.1 Standard Option~~.~~ :

Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design

criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Reserved

~~5.1.3 :~~ .

5.1.3 Option to Build~~. Transmission Provider, within its sole discretion, may provide :~~

Interconnection Customer ~~with~~shall have the option~~, in writing,~~ to assume responsibility for the design, procurement and construction of Transmission ~~Provider's~~Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in ~~Appendix B, Milestones.~~ Article 5.1.2. Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option~~. :~~

If ~~Interconnection Customer elects not to exercise the written option provided~~the dates designated by Interconnection Customer are not acceptable to Transmission Provider~~ under Article 5.1.3, Option to Build, Interconnection Customer shall so notify Transmission Provider within thirty (30) Calendar Days, and~~, the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives, or the procurement and construction of ~~a portion of~~all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades ~~by Interconnection Customer) pursuant to which Transmission Provider is responsible for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Network Upgrades.~~ ifthe Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then pursuant to Article 5.1.1 (Standard Option), Transmission Provider shall assume responsibility for the

design, procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades ~~pursuant~~if the Interconnection Customer elects to ~~5.1.1, Standard~~exercise the Option to Build.

5.2 General Conditions Applicable to Option to Build~~.~~ :

If Interconnection Customer assumes responsibility for the design ~~and engineering,~~ procurement and~~/or~~ construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades~~,~~ :

(1)

Interconnection Customer shall~~:~~

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

(2)

Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all ~~Applicable Laws and Regulations and all insurance~~ requirements~~, warranties, shipping insurance, storage protocols, and other policies and requirements~~ of law to which to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(3)

~~provide~~ Transmission Provider ~~with~~shall review and approve the engineering design, equipment acceptance tests, and the construction ~~drawings~~ of ~~the~~ Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades ~~for Transmission Provider to review and approve~~;

(4)~~ prior~~

Prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to ~~any request~~requests for information from Transmission Provider;

(5) ~~**at**~~

At any time during construction, ~~grant~~Transmission Provider shall have the right to gain unrestricted access to Transmission ~~Provider and allow Transmission Provider~~ Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(6)

At any time during the construction, should any phase of the engineering, equipment procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades~~;~~

~~(6)~~ not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades~~ that do not meet the standards and specifications provided by Transmission Provider at any time during construction~~;

(7)

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

(8)

Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

(9)

Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Transmission Provider ~~unless the Parties otherwise agree~~; and

(10)

~~obtain~~ Transmission ~~Provider's approval~~Provider shall approve and ~~acceptance~~accept for operation and maintenance ~~of~~ Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades ~~prior~~ to the In-Service Date~~;~~ to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(11)

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

~~**Upon Interconnection Customer's assumption**~~**(12)**

If Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, Interconnection Customer shall pay Transmission Provider the agreed upon amount of ~~the~~[$ PLACEHOLDER] for Transmission Provider to execute the responsibilities enumerated to Transmission Provider under Article 5.2. Transmission Provider shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

5.3 Liquidated Damages:

The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraph 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider's Interconnection

Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ¼ of 1 percent per day of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

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

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

~~(12) review and approve~~; or (4) the ~~engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; and~~

~~(13) approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent such~~

~~facilities and upgrades are engineered, procured, and constructed in accordance with this Article 5.2.~~

~~**5.3 Reserved.**~~Parties have otherwise agreed.

5.4 Power System Stabilizers~~.~~ :

The Interconnection Customer shall procure, install, maintain and operate ~~power system stabilizers~~Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed power system stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's power system stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators~~ or solar photovoltaic generators, unless the need for such criteria has been established in the System Impact Study~~.

5.5 Equipment Procurement~~.~~ :

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

5.5.1:

Transmission Provider has completed the Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;

5.5.2:

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

5.5.3:

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

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

5.6 Construction Commencement~~.~~ :

Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1:

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

5.6.2:

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

5.6.3:

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

5.6.4:

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

~~**5.6.4** Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B,~~

~~Milestones.~~

5.7 Work Progress~~.~~ :

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

5.8 Information Exchange~~.~~ :

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

5.9 Other Interconnection Options:

5.9.1 Limited Operation~~.~~ :

If any of Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities ~~provided that the results support such operations and Interconnection Customer operates such facilities~~ in accordance with the results of such studies.

~~**5.10 Interconnection Customer's Interconnection Facilities ("ICIF").**~~ **5.9.2 Provisional Interconnection Service**:

Upon the request of Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities Transmission Provider may execute a Provisional Large Generator Interconnection Agreement. Transmission Provider shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Generating Facility or Transmission System. Transmission Provider shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities that are necessary to meet the requirements of NERC, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Generating Facility are in place prior to the commencement of Interconnection Service from the Generating Facility. Where available studies indicate that such, Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Generating Facility are not currently in place, Transmission Provider will perform a study, at the Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Generating Facility in the Provisional Large Generator Interconnection Agreement shall be studied and updated [on a frequency determined by Transmission Provider and at the Interconnection Customer's expense]. Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional Large Generator Interconnection Agreement and the Large Generator Interconnection Agreement, including changes in output limits and Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities cost responsibilities.

5.10 Interconnection Customer's Interconnection Facilities: ("ICIF"):

Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.10.1 Interconnection Customer's Interconnection Facility Specifications. :

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

5.10.2 Transmission Provider's Review~~.~~ :

Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing ~~any express or implied representation or~~a warranty as to the design, ~~merchantability,~~ fitness ~~for any particular purpose~~, safety, durability~~,~~ or reliability~~, compatibility or capability~~ of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be ~~directed~~required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.

5.10.3 ICIF Construction~~.~~ :

The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline ~~in writing~~, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility~~, or any other pertinent information requested by Transmission Provider.~~. The Interconnection Customer shall provide Transmission Provider ~~with~~ specifications for the excitation system, automatic

voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Transmission Provider's Interconnection Facilities Construction~~.~~ :

Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection Customer the following "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities including relay diagrams.

Transmission Provider will obtain ownership (unless otherwise agreed by the Transmission Provider) and control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.12 Access Rights~~.~~ :

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

5.13 Lands of Other Property Owners~~.~~ :

If any part of Transmission ~~Provider's~~Provider or Transmission Owner's Interconnection Facilities, Stand Alone Network Upgrades, and/or Network Upgrades is to be installed on property owned by persons other than ~~Interconnection Customer or Transmission Provider,~~

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

5.14 Permits~~.~~ :

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

5.15 Early Construction of Base Case Facilities~~.~~ :

Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall ~~use~~construct using Reasonable Efforts ~~to advance construction of facilities in effort~~ to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Interconnection Facilities Study for Interconnection Customer, and ~~facilities~~ which also are required to be constructed for another Interconnection Customer but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 Suspension~~.~~ :

Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. ~~Transmission Provider shall not be liable for any acts or omissions of Interconnection Customer relating to its decision and~~

~~implementation of suspension. Interconnection Customer shall indemnify Transmission Provider from and against any and all claims, actions, disputes and proceedings which may come against Transmission Provider arising by reason of or incident to Interconnection Customer's suspension of work on Transmission Provider's Interconnection Facilities, Network Upgrades and/or Interconnection Customer's Interconnection Facilities.~~

In ~~the~~such event ~~that Interconnection Customer elects to suspend work pursuant to this Article 5.16~~, Interconnection Customer shall be responsible for ~~(i) insuring that the Interconnection Customer's Interconnection Facilities constructed or installed to date are secured and left in a safe and reliable condition in accordance with Good Utility Practice, and (ii)~~ all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA prior to the suspension and ~~which Transmission Provider~~ (ii) incurs ~~as a result of the suspension~~in suspending such work, including any costs incurred to perform such work ~~and any work that~~as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so. Interconnection Customer shall also be obligated to pay any applicable penalties associated with the suspension, pursuant to Section 3.7 of the LGIP.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. ~~In~~Except as provided in Article 5.16.2 below, in the event Interconnection Customer suspends work ~~pursuant to this Article 5.16 that~~by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

5.16.1 Effect of Misused Interconnection Customer LGIA Milestones:

If Interconnection Customer ~~17~~ fails to provide notice of suspension pursuant to Article 5.16, and Interconnection Customer fails to fulfill or complete any Interconnection Customer LGIA Milestone provided in Appendix B ("LGIA Milestone"), this constitutes a Breach under this LGIA. Depending upon the consequences of the Breach and effectiveness of the cure pursuant to Article 17,

Transmission Provider's LGIA Milestones may be revised, following consultation with Interconnection Customer, consistent with Reasonable Efforts, and in consideration of all relevant circumstances. Parties shall employ Reasonable Efforts to maintain their remaining respective LGIA Milestones.

5.16.2 Effect of Suspension; Parties Obligations:

In the event that Interconnection Customer suspends work pursuant to this Article 5.16, the applicable construction duration, timelines and schedules set forth in Appendix B shall be suspended during the period of suspension. Should Interconnection Customer thereafter request that work be recommenced, Appendix A and Appendix B may be revised to account for construction sequencing and modified milestones. If the Commercial Operation Date is extended beyond three (3) cumulative years described in Section 4.4.5 of the LGIP and Article 2.3.1 of this LGIA, such an extension may be considered a Material Modification and result in the termination of the LGIA under Article 2.3.1. Interconnection Customer is required to maintain Site Control while this LGIA is in effect, including during suspension.

5.17 Taxes~~.~~:

To the extent that Transmission Provider becomes subject to Federal income taxation, the following provisions within this Article 5.17 shall apply:

5.17.1 Interconnection Customer Payments Not Taxable~~.~~:

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

5.17.2 Representations and Covenants~~.~~:

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

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

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

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Provider.:

Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments, property transfers, or its use of the Transmission Provider's Interconnection Facilities or the Transmission System by Interconnection Customer under the terms and conditions of this LGIA, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Transmission Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Transmission Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Transmission Provider to report payments or property as income

subject to taxation; provided, however, that Transmission Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Provider (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten-year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount~~.~~:

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

For this purpose, (i) Current Taxes shall be computed based on Transmission Provider's composite federal and state tax rates at the time the payments or property transfers are received and Transmission Provider will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting

Transmission Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Transmission Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: (Current Tax Rate x (Gross Income Amount – Present Value of Tax Depreciation))/(1-Current Tax Rate). Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law.—:

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

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

5.17.6 Subsequent Taxable Events.—:

If, within 10 years from the date on which the relevant Transmission Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and Transmission Provider retains ownership of the Interconnection Facilities and Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Transmission Provider,

calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests~~.~~ :

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

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

5.17.8 Refund~~.~~ :

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

(i)~~ any~~

Any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable,

(ii)~~ interest~~

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

(iii)~~ with~~

With respect to any such taxes paid by Transmission Provider, any refund or credit Transmission Provider receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Transmission Provider

for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Transmission Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Transmission Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Transmission Provider's Interconnection Facilities.

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

5.17.9 Taxes Other Than Income Taxes~~.~~ :

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

5.17.10 Transmission Owners Who Are Not Transmission Providers~~.~~ :

If Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall ~~also~~ be deemed also to refer to and include the Transmission Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed

in writing to assume all of the duties and obligations of Transmission Provider under this Article 5.17 of this LGIA.

5.18 Tax Status~~.~~ :

Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this LGIA is intended to adversely affect any Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Tax Exempt and Tax Credit Bonds (as defined in Section 13.6.1 of the LGIP).

5.19 Modification~~.~~ :

5.19.1 General~~.~~ :

Either Party may undertake modifications to its facilities~~; provided that, each Party does not impair or impede the local area stability and reliability of the Transmission System~~. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide ~~written notification~~ to the other Party ~~and also provide~~ sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility ~~or from Interconnection Facilities or on the Transmission System.~~ .

~~If Interconnection Customer is undertaking any modification as a result of an interconnection request by a third party or an Affiliate or on its own to interconnect to the Interconnection Customer's Interconnection Facilities, Interconnection Customer shall treat Transmission Provider as an Affected System Operator and further comply with all Applicable Laws and Regulations including any necessary filing of a transmission tariff with FERC and securing the necessary ancillary services from Transmission Provider or another entity to support transmission service on Interconnection Customer's Interconnection Facilities. Interconnection Customer shall also coordinate its studies with Transmission Provider to evaluate whether any Network Upgrades are required on the Transmission Provider's Transmission System as a result of such interconnection request.~~

The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit ~~a new or separate~~an Interconnection Request, Transmission Provider shall~~, upon receipt of Interconnection Customer's written notification of modifications,~~ provide, within ~~sixty (60~~thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 Standards~~.~~ :

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

5.19.3 Modification Costs~~.~~ :

Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide ~~Transmission Service~~transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities ~~or any necessary additions, modifications or replacements to Transmission Provider's Interconnection Facilities and Transmission Provider's Transmission System resulting from any interconnection request processed by Interconnection Customer to interconnect into Interconnection Customer's Interconnection Facilities,~~ consistent with Applicable Laws and Regulations, Applicable Reliability Standards ~~and/~~or Good Utility

Practice.

~~**5.20 Conformance with NERC and WECC Reliability Requirements.**~~

~~Interconnection Customer must abide by all Applicable Reliability Standards including, but not limited to:~~

~~1. Coordination of joint studies of new facilities and their impacts on the interconnected transmission systems.~~
~~2. Notification of new or modified facilities to others (those responsible for the reliability of the interconnected transmission systems) as soon as feasible.~~
~~3. Voltage level and MW and MVAR capacity or demand at point of connection.~~
~~4. Breaker duty and surge protection.~~
~~5. System protection and coordination.~~
~~6. Metering and telecommunications.~~
~~7. Grounding and safety issues.~~
~~8. Insulation and insulation coordination.~~
~~9. Voltage, Reactive Power, and power factor control.~~
~~10. Power quality impacts.~~
~~11. Equipment Ratings.~~
~~12. Synchronizing of facilities.~~
~~13. Maintenance coordination.~~
~~14. Operational issues (abnormal frequency and voltages).~~
~~15. Inspection requirements for existing or new facilities.~~
~~16. Communications and procedures during normal and emergency operating conditions.~~

~~More general requirements are identified within various articles of this LGIA.~~

Article 6~~.~~ ~~:~~ Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications~~.~~ ~~:~~

Prior to the Commercial Operation Date, Transmission Provider shall test ~~and measure~~ Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test ~~and measure~~ the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing and measurement may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing ~~and measurements.~~. Interconnection Customer shall bear the cost of all

such testing~~, measurements, any additional study of harmonics and sub-synchronous resonance (SSR) that Transmission Provider deems necessary, and any modification~~ and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

6.2 Post-Commercial Operation Date Testing and Modifications~~.~~ :

Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

6.3 Right to Observe Testing~~.~~ :

Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

6.4 Right to Inspect~~.~~ :

Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including ~~power system stabilizers~~Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty ~~or representation~~ as to the ~~merchantability,~~ fitness ~~for a particular purpose~~, safety, desirability, ~~durability~~ or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

Article 7~~.~~ : Metering

7.1 General~~.~~ :

Each Party shall comply with the Applicable Reliability Council requirements ~~governing metering~~. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

~~**7.1.2 Station Power to the Generating Facility.** The Interconnection Customer shall make all appropriate arrangements for station service requirements with the local retail service provider, including the delivery component of transmission service, if applicable. If the Transmission Provider is not the local retail service provider for the Generating Facility, the Transmission Provider shall not be obligated or responsible for providing station power to the Generating Facility.~~

~~**7.2 Check Meters.**~~ **7.2 Check Meters:**

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

7.3 Standards~~.~~ :

Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.

7.4 Testing of Metering Equipment~~.~~ :

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

7.5 Metering Data~~.~~ :

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

~~**7.6 Performance Monitoring by Phasor Measuring Units**~~

~~The Interconnection Customer shall provide a simulation model to Transmission Provider which complies with the WECC Generator Test Policy posted in the "Generator Testing Program" area on the WECC website at , or any successor Test Policy. Monitoring of the generator's actual dynamic behavior is required to fully validate and verify the model provided by or on behalf of the Interconnection Customer. If Transmission Provider observes a severe discrepancy between the monitored dynamic behavior and the simulation based on the model and parametric values provided by the Interconnection Customer, then~~

~~the Interconnection Customer shall be required to perform parametric testing of the generation equipment at Interconnection Customer's expense.~~

~~Transmission Provider uses a Phasor Measuring Unit (PMU) to monitor the dynamic behavior of the generator. A PMU provides digital high-speed time-synchronized voltage and current phasors and frequency measurements. Transmission Provider requires PMU functionality at all generation plants that are directly interconnected to Transmission Provider's Transmission System at voltages of 230 kV and above, and at some lower voltage interconnections when identified during the Interconnection Study. The PMU will be installed at the Interconnection Customer's substation, such as a collector station for a wind generation project. The PMU will measure quantities at either the low side or high side of each substation step-up transformer (e.g., 34.5/230 kV).~~

~~Transmission Provider will provide the manufacturer and model number for the PMU. The PMU and the required communication circuits/equipment at the Interconnection Customer's substation shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense.~~

~~Depending on the Point of Interconnection, Transmission Provider will also require a continuous data stream to a Transmission Provider Phasor Data Concentrator via the installed communications network at the Interconnection Customer's substation. The PMU must be tested after configuration (but prior to installation) for compliance with IEEE C37.118 standard (or applicable superseding IEEE Standard) and WECC filtering and dynamic performance requirements.~~

Article 8~~.~~ : Communications

8.1 Interconnection Customer Obligations~~.~~ :

Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by

Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 Remote Terminal Unit~~.~~ :

Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider and Interconnection Customer shall supply data in accordance with this communication protocol, including but not limited to: (1) real-time analog data which must be telemetered directly to the location(s) specified by Transmission Provider; (2) status points; (3) accumulators; (4) control points; and (5) any other operating data requested by Transmission Provider, and as further detailed in the Business Practice.

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

8.3 No Annexation~~.~~ :

Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed ~~in writing~~ by the Parties.

8.4 ~~.~~ Provision of Data from a Variable Energy Resource~~.~~ :

The Interconnection Customer whose Generating Facility is a Variable Energy Resource shall provide meteorological and forced outage data to the Transmission Provider to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific

meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The Transmission Provider and Interconnection Customer whose Generating Facility is a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. The Interconnection Customer whose Generating Facility is a Variable Energy Resource also shall submit data to the Transmission Provider regarding all forced outages to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to the Transmission Provider, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

Article 9~~.~~: Operations

9.1 General~~.~~:

Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 Control Area Notification~~.~~:

At least three months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider in writing of the Control Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if

applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.

9.3 Transmission Provider Obligations~~.~~ :

Transmission Provider shall ~~operate, maintain and control~~cause the Transmission System and Transmission ~~Provider's~~Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider ~~has authority to~~may provide operating instructions to Interconnection Customer consistent with this LGIA~~, Applicable Reliability Standards,~~ and Transmission ~~Provider's~~Provider's operating protocols and procedures~~,~~ as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations~~.~~ :

Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA ~~and the NERC Reliability Standards.~~. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is ~~a~~ part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. ~~Notwithstanding the provisions in Articles 30.9 and 30.10, Transmission Provider may modify~~ Appendix C, Interconnection Details~~,~~ will be modified to reflect changes to the requirements as they may change from time to time ~~without the need for a written amendment to this LGIA~~. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.

9.5 Start-Up and Synchronization~~.~~ :

Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.

9.6 Reactive Power and Primary Frequency Response: .

9.6.1 Power Factor Design Criteria~~.~~ :

9.6.1.1 Synchronous Generation~~.~~ :

Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider ~~or Transmission Operator~~ has established different requirements that apply to all synchronous generators in the Control Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation~~.~~ :

Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output ~~either (1)~~ at the high-side of the generator substation ~~or (2) at the Point of Interconnection~~ at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all non-synchronous generators in the Control 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. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of ~~Transmission Provider's Form of Large Generator Interconnection Agreement.~~the Final Rule establishing this requirement (Order No. 827).

9.6.2 Voltage Schedules~~.~~ :

Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider ~~or Transmission Operator~~ shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission ~~Provider's or Transmission Operator's~~Provider's voltage schedules~~, which may be modified in real time as necessary,~~ shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner.

~~For purposes of this Article 9.6.2, "voltage schedule" is the target voltage to be maintained within a tolerance band during a specified period.~~

~~_____~~Transmission Provider~~ or Transmission Operator~~ shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the ~~Transmission~~System Operator~~.~~

9.6.2.1 ~~Governors and~~ Voltage Regulators~~.~~ :

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

~~9.6.2.2 Off-Nominal Frequency and Under-frequency Load Shedding Criteria~~

~~Interconnection Customer acknowledges that Transmission Provider has obligations to comply with Applicable Reliability Standards addressing Off-Nominal Frequency Load Shedding and Under-frequency Load Shedding, and Interconnection Customer agrees to cooperate with any request made by Transmission Provider that may be necessary to ensure compliance with such requirements.~~

9.6.3 Payment for Reactive Power ~~Outside of Range.~~ :

Transmission Provider ~~will~~is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Transmission Provider requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1, provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise ~~mutually~~ agreed.

9.6.4 ~~No Payment~~ Primary Frequency Response:

Interconnection Customer shall ensure the primary frequency response capability of its Large 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 Large Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection 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 NERC Reliability Standard providing for ~~**Reactive Power Within Range.**~~ equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Large 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 an approved NERC 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 Large 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 Large 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 NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider ~~does not pay its own or affiliated generators for reactive power~~ that the primary frequency response capability of the Large Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Interconnection Customer shall operate the Large 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 Large Generating Facilities.

9.6.4.1 Governor or Equivalent Controls:

Whenever the Large Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Large Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider 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 NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Large Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider 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. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Large Generating Facility's governor or equivalent controls to a minimum whenever the Large Generating Facility is operated in parallel with the Transmission System.

9.6.4.2 Timely and Sustained Response:

Interconnection Customer shall ensure that the Large 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 Large Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection 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 Large Generating Facility shall sustain the real power response at least until system frequency returns to a value within the ~~specified range and similarly will not pay Interconnection Customer for reactive power service within the~~ deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 Exemptions:

Large 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. Large 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 ~~range.~~ 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. Interconnection:

Customer interconnecting an electric storage resource shall establish an operating range in Appendix C of its LGIA 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 C 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 Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection 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 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 Interconnection 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. Interconnection 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.

9.7 Outages and Interruptions~~.~~:

9.7.1 Outages~~.~~:

9.7.1.1 Outage Authority and Coordination~~.~~ :

Each Party~~,~~ may in accordance with Good Utility Practice ~~and in compliance with Applicable Reliability Standards, shall coordinate~~in coordination with the other Party ~~as well as the Transmission Operator and Control Area Operator, if not the same as Transmission Provider, before removing~~remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other ~~Party's~~Party's facilities~~, including the Transmission System,~~ as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties~~, Transmission Operator, and Control Area Operator.~~. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 Outage Schedules~~.~~ :

Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS ~~(as defined in the Tariff).~~. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four ~~(24)~~ month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider shall

compensate Interconnection Customer for up to 50% for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

9.7.1.3 Outage Restoration

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

9.7.2 Interruption of Service~~.~~ :

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

9.7.2.1

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

9.7.2.2

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

9.7.2.3

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

9.7.2.4

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

9.7.2.5

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

9.7.3 Under-Frequency and Over Frequency Conditions~~.~~ :

The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as

required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

9.7.4 System Protection and Other Control Requirements:

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

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

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

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

9.7.4.5
Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice~~ and WECC Criteria~~.

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

9.7.5 Requirements for Protection~~.~~
In compliance with Good Utility Practice~~, Applicable Reliability Standards, and WECC Criteria~~, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the Large Generating Facility.

9.7.6 Power Quality~~.~~

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

9.8 Switching and Tagging Rules~~.~~ :

Each Party shall provide the other Party ~~with~~ 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 ~~or implemented~~ on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as ~~may be~~ amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties~~.~~ :

9.9.1 Purpose of Interconnection Facilities~~.~~
Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties ~~pursuant to Article 9.9.2 of this Agreement~~, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users~~.~~
If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission ~~Provider's~~Provider's Interconnection ~~Facilities, Common~~ Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the ~~Transmission Provider's~~ Interconnection Facilities ~~and/or~~based upon the ~~Common Facilities prior to such third party~~pro rata use of the ~~Transmission Provider's~~ Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and~~/or~~ Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the ~~Common Facilities ("Capital~~

~~Expenses")~~Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of ~~Transmission Provider's~~the Interconnection~~ Facilities and/or Common~~ Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with ~~the methodology set forth in Appendix H. Any such compensation will be based upon use by third parties of any portion of the Transmission Provider's Interconnection Facilities except those portions that are exclusively used by Interconnection Customer~~Applicable Laws and Regulations or upon some other mutually agreed upon methodology.

~~In addition, cost responsibility for Capital Improvements and ongoing costs, including operation and maintenance costs associated with the Transmission Provider's Interconnection Facilities and/or the Common Facilities will be allocated between or among Interconnection Customer and any third party users based upon the pro rata use of the Transmission Provider's Interconnection Facilities and/or the Common Facilities by Transmission Provider, all third party users, and Interconnection Customer in accordance with the methodology set forth in Appendix H.~~

9.10 Disturbance Analysis Data Exchange~~.~~ :

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

Article 10~~.~~ : Maintenance

10.1 Transmission Provider Obligations~~.~~ :

Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.2 Interconnection Customer Obligations~~.~~ :

Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.3 Coordination~~.~~ :

The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

10.4 Secondary Systems~~.~~ :

Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, ~~alternating current (~~AC~~)~~ or ~~direct current (~~DC~~),~~ including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses~~.~~ :

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or ~~Transmission Service~~transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities~~ and Common Facilities; and (3) voltage regulation, in the event Interconnection Customer elects, as provided in Article 9.6.1.2 herein, to design its non-synchronous Large Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation~~.

Article 11~~.~~ : Performance Obligation

11.1 Interconnection Customer Interconnection Facilities~~.~~ :

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

11.2 Transmission Provider's Interconnection Facilities~~.~~ :

Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades~~.~~ :

Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible ~~for the payment of and~~ all costs related to Distribution Upgrades ~~and~~ . Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.

11.4 Transmission Credits~~.~~ :

11.4.1 Repayment of Amounts Advanced for Network Upgrades~~.~~ :

Transmission Provider is a non-public utility. Transmission Provider and Interconnection Customer agree to waive the crediting policy and reimbursement obligations applicable to public utility transmission providers.

Notwithstanding the foregoing, if an Affected System is identified in the evaluation of the Interconnection Request or Interconnection Service, Interconnection Customer and Affected System Operator will comply with the crediting policy or reimbursement obligations of the Affected System Operator without any cost allocation to Transmission Provider.

If the Large Generating Facility fails to achieve Commercial Operation, but it or

another Generating Facility is later constructed and makes use of the Network Upgrades, the Affected System Operator and Interconnection Customer shall comply with the crediting and reimbursement policy of the Affected System Operator without any cost allocation to Transmission Provider.

11.4.2 Special Provisions for Affected Systems~~.~~ :

Interconnection Customer and Affected System Operator shall enter into an agreement that provides for compliance with the crediting policy or reimbursement obligations of the Affected System Operator without any such costs being allocated to or imposed upon Transmission Provider.

11.4.3 Reserved~~.~~

11.5 Provision of Security~~.~~ :

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

In addition:

11.5.1:

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

11.5.2:

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

11.5.3:

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

11.6 Interconnection Customer Compensation~~.~~ :

If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power) or 13.5.1 ~~(Emergency Condition)~~ of this LGIA, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service ~~subject to any refund or modification if contested by Transmission Provider~~.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition~~.~~ :

Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

Article 12~~.~~ : Invoice

12.1 General~~.~~ :

Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and

fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice~~.~~ :

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

12.3 Payment~~.~~ :

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

12.4 Disputes~~.~~ :

In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute; provided however, if Interconnection Customer opts to utilize an escrow account Interconnection Customer shall be responsible for all administrative and financial obligations associated with setting up and maintaining the independent escrow account until resolution of the dispute without any involvement of or reimbursement by Transmission Provider. If Interconnection Customer fails to meet these two requirements for continuation of ~~Interconnection Service~~service,

then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due~~.~~ with interest calculated in accordance with the methodology set forth in FERC regulations at 18 C.F.R. § 35.19a(a)(2)(iii).

Article 13~~.~~ : Emergencies

13.1 Definition~~.~~ :

"Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, ~~reliability of,~~ or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System ~~wherein~~ restoration and black start shall be considered Emergency Conditions; provided that~~,~~ Interconnection Customer is not obligated by this LGIA to possess black start capability.

13.2 Obligations~~.~~ :

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

13.3 Notice~~.~~ :

Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or

Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.4 Immediate Action~~.~~ :

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

13.5 Transmission Provider Authority~~.~~ :

13.5.1 General~~.~~ :

Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with ~~black start~~blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission

Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 Reduction and Disconnection~~.~~ :

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

13.6 Interconnection Customer Authority~~.~~ :

Consistent with Good Utility Practice~~, NERC Reliability Standards,~~ and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent ~~property~~ damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in ~~its efforts~~such actions.

13.7 Limited Liability~~.~~ :

Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other ~~Party~~ for any action ~~or inaction~~ it takes in responding to an Emergency Condition so long as such action ~~or inaction~~ is made in good faith and is consistent with Good Utility Practice.

Article 14~~.~~: Regulatory Requirements and Governing Law

14.1 Regulatory Requirements~~.~~:

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

14.2 Governing Law~~.~~:

14.2.1:

The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by and enforced in accordance with the laws of the State of California, as if executed and to be performed wholly within the State of California.

14.2.2:

This LGIA is subject to all Applicable Laws and Regulations.

14.2.3:

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

Article 15~~.~~: Notices~~.~~:

15.1 General.—:

Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

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

15.2 Billings and Payments.—:

Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice.—:

Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice: .

Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16.——: Force Majeure

16.1 Force Majeure.:

16.1.1:

A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence (which

does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to the additional requirement of a Force Majeure Written Notice set forth in Article 16.1.2.

16.1.2:

A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall provide the Force Majeure Immediate Notice pursuant to Article 16.1.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set ~~for~~forth above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

Article 17~~.~~: Default

17.1 Default: ~~.~~

17.1.1 General~~.~~:

No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the

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

17.1.2 Right to Terminate~~.~~ :

If ~~any~~a Breach is not cured as provided in ~~Article 17.1.1~~this article, or if a Breach is not capable of being cured within the period provided for ~~therein~~herein, the non-~~Breaching~~breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and ~~shall~~ be relieved of any further obligation hereunder and, ~~the non-Breaching~~whether or not that Party ~~shall have the right~~terminates this LGIA, to recover from the ~~Breaching~~breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this LGIA.

~~**17.1.3 Suspension.**~~

~~If the non-Breaching Party, within its sole discretion, chooses not to immediately exercise its right under Article 17.1.2, the non-Breaching Party may provide written notice to the Breaching Party of its intent to elect to suspend this Agreement for a date certain ("Notice of Suspension"), which such notice shall not to exceed one hundred eighty (180) Calendar Days from the date of its issuance ("Suspension Period"). Suspension of this Agreement shall remain in effect from the date that the non-Breaching Party issued the Notice of Suspension until the earlier of: (i) the Breaching Party's cure of its Breach; or (ii) the expiration of the Suspension Period. If the Breaching Party failed to cure the Breach prior to the expiration of the Suspension Period, the non-Breaching Party shall immediately invoke the provisions of Article 17.1.2.~~

Article 18~~.~~ : Indemnity, Consequential Damages and Insurance

18.1 Indemnity~~.~~ :

The Parties shall at all times indemnify, defend, and hold harmless the other Parties, their respective officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, ~~without limitation, business interruption, impairment of contract,~~ death, bodily injury or personal injury to any person, damage or destruction ~~or loss of use to or of~~to any property (financial, physical, or intellectual) by or to third parties (collectively, "Losses") arising by reason of or incident to or directly or indirectly related to the other Party's acts, errors or omissions, performance or non-performance or Breach of any of their obligations of or under this LGIA, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

18.2 Consequential Damages~~.~~ :

In no event shall either Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, business interruption, 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.

18.3 Insurance – Applicable Terms and Conditions~~.~~ :

18.3.1 Additional Insured Status Required~~.~~ :

Interconnection Customer shall procure at its own expense, and keep in effect at all times during the term of this Agreement, the types and amounts of insurance specified on the attached Contract Insurance Requirements page. The ~~specified~~ insurance shall also~~, either~~ by ~~provisions in the policies, by City's own~~specific endorsement ~~form or by other endorsement~~(s) attached to such policies, ~~be in a form acceptable to the Risk Manager of Transmission Provider (hereinafter referred to as "Risk Manager") and the Office of City Attorney,~~ include ~~and insure~~ , the City of Los Angeles (the "City~~;~~") Transmission Provider, its Board of Commissioners (hereinafter referred to as ~~"~~"Board~~"),~~"), and all of its officers, employees and agents, their successors and assigns, as Additional Insureds (except for ~~Workers'~~Worker's Compensation~~),~~) against the area of risk described herein as

respects Interconnection ~~Customer's~~Customer's acts or omissions in its performance of the agreement, hereunder or other related functions performed by or on behalf of Interconnection Customer. ~~Acceptance of the submitted evidence of insurance shall not be unreasonably withheld.~~ Such insurance shall not limit or qualify the liabilities and obligations of the Interconnection Customer assumed under the contract.

18.3.2 Severability of Interests and Cross Liability Required~~.~~:

Each specified insurance policy (other than Workers' Compensation and Employers' Liability and Property coverage) shall contain a Severability of Interest and Cross Liability clause which states in effect, "It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability," and a Contractual Liability Endorsement which shall state in effect, "Such insurance as is afforded by this policy shall also apply to liability assumed by the insured under this Agreement with the City of Los Angeles."

18.3.3 Primary and Non-Contributory Insurance Required~~.~~:

All such insurance shall be Primary and Noncontributing with any other insurance held by Transmission Provider where liability arises out of or results from the acts or omissions of Interconnection Customer, its agents, employees, officers, assigns, or any person or entity acting for or on behalf of Interconnection Customer. Any insurance carried by Transmission Provider which may be applicable shall be deemed to be excess insurance and the Interconnection Customer's insurance is primary for all purposes despite any conflicting provision in the Interconnection Customer's policies to the contrary.

18.3.4 Deductibles Subject to Transmission Provider's Discretion~~.~~:

Deductibles and/or self-insured retentions shall be at the sole discretion of the Transmission Provider's Risk Manager. The Transmission Provider shall have no liability for any premiums charged for such coverage(s). The inclusion of the Transmission Provider, its Board, and all of its officers, employees and agents, and their agents and assigns, as additional insureds, is not intended to, and shall not, make them, or any of them a partner or joint venturer with Interconnection Customer in its operations.

18.3.5 Proof of Insurance for Renewal or Extension Required~~.~~:

At least thirty (30) days after ~~to~~ the expiration date of any of the policies required on the attached Contract Insurance Requirement page, documentation showing that the insurance coverage has been renewed or extended shall be filed with the Transmission Provider. If such coverage is canceled or reduced in coverage, Interconnection Customer shall, within fifteen (15) days of such cancellation or reduction of coverage, file with Transmission Provider evidence that the required insurance has been reinstated or provided through another insurance company or companies.

18.3.6 Submission of Acceptable Proof of Insurance and Notice of Cancellation~~.~~:

Interconnection Customer shall provide proof to the Transmission Provider's Risk Manager of all specified insurance and related requirements using either ~~by production~~an Acord certificate of ~~the actual~~ insurance ~~policy(ies), by use of~~ along with any required scheduled endorsements, or using the Transmission ~~Provider's~~Provider's own endorsement form(s~~),~~) or ~~by~~using other written evidence of insurance acceptable to the Transmission Provider's Risk Manager, but always in a form acceptable to the Transmission Provider's Risk Manager ~~and the Office of the City Attorney. Acceptance of the submitted evidence of insurance shall not be unreasonably withheld.~~. The documents evidencing all specified ~~coverage~~coverages shall be filed with the Transmission Provider prior to Interconnection Customer beginning operations hereunder. Said proof shall contain at a minimum, the applicable policy number, the inclusive dates of policy ~~coverage~~coverages, the date the ~~protection begins~~specified endorsement for the Transmission Provider was attached to a specific policy, and the insurance ~~carrier's~~carrier's name. ~~It shall bear an original signature of an authorized representative of said carrier, and~~It shall provide that such insurance shall not be subject to cancellation, material reduction in a required coverage or non-renewal (other than for non-payment) except after written notice by ~~certified~~first class mail~~,~~ ~~return receipt requested, to the City Attorney of the City of Los Angeles~~ or electronic mail to the Transmission Provider's Risk Manager at least ~~thirty~~ (30) calendar days prior to the effective date thereof. ~~Seller may provide the required notice consistent with the time frame specified herein.~~ The notification shall be sent by ~~registered mail to: Risk Management Section, L.A. Water and Power, Post Office Box 51111, JFB Room 465, Los Angeles, California 90051-0100.~~first class or electronic mail to:

The Risk Management Section,
Los Angeles Department of Water and Power,
Post Office Box 51111, JFB Room 465,
Los Angeles, California 90051-0100.
Riskmanagement.Risky@ladwp.com

18.3.7 Claims-Made Insurance Conditions~~.~~:

Should any portion of the required insurance be on a "Claims Made" policy, the Interconnection Customer shall, at the policy expiration date following completion of work, provide evidence that the "Claims Made" policy has been renewed or replaced with the same limits, terms and conditions of the expiring policy, or that an extended three (3) years discovery period has been purchased on the expiring policy at least for the contract under which the work was performed.

18.3.8 Failure to Maintain and Provide as Cause for Termination~~.~~:

Failure to maintain and provide acceptable evidence of the required insurance for the required period of coverage shall constitute a breach of contract, upon which Transmission Provider may immediately terminate or suspend the agreement.

18.3.9 Periodic Right to Review/Update Insurance Requirements~~.~~:

The Transmission Provider and Interconnection Customer agree that the insurance policy limits specified on the attached Contract Insurance Requirements page may be reviewed for adequacy annually throughout the term of this Agreement by the Transmission Provider's Risk Manager/City Attorney, who may thereafter require Interconnection Customer to adjust the amounts and types of insurance coverage however the Transmission Provider's Risk Manager/City Attorney deems to be adequate and necessary. Transmission Provider reserves the right to have submitted to it, upon request, all pertinent information about the agent and carrier providing such insurance, including applicable license and ratings.

18.3.10 Specific Insurance Requirements~~.~~:

See Attachment "Contract Insurance Requirements."

18.3.11 Sub-Contractor Compliance:

Interconnection Customer shall be responsible for all sub-contractors'. Interconnection Customer shall require all subcontractors performing any work to maintain insurance limits in accordance with Interconnection Customer's standard agreements with such subcontractors.

18.3.12 Limitation of Liability and Release~~.~~:

TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR ~~COMMOM~~COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

18.3.~~12~~13 Reporting~~.~~:

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

Article 19~~.~~ : Assignment

19.1 Assignment~~.~~ :

This LGIA may be assigned by either Party only with the ~~prior~~ written consent of the other; provided that, either Party may assign this LGIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or ~~better~~greater credit rating ~~or profile~~ and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that Interconnection Customer shall have the right to assign this LGIA, without the ~~written~~ consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s), including providing the Transmission Provider with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, ~~prior written~~ consent to assignment will not be unreasonably withheld, conditioned or delayed. The General Manager of DWP, and/or his/her designee, is authorized to grant the consents contemplated by this Article 19.1 on behalf of LADWP.

Article 20~~.~~ : Severability

20.1 Severability~~.~~ :

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

Article 21~~.~~ : Comparability

21.1 Comparability~~.~~ :

The ~~Interconnection Customer, if required,~~Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

Article 22~~.~~ : Confidentiality

22.1 Confidentiality~~.~~ :

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

22.1.1 Term~~.~~ :

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

22.1.2 Scope~~.~~ :

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving

Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 Release of Confidential Information~~.~~ :

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

22.1.4 Rights~~.~~ :

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

22.1.5 No Warranties~~.~~ :

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy~~, reliability,~~ or completeness~~, unless otherwise~~

~~stated~~. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 Standard of Care~~.~~ :

Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this LGIA or its ~~applicable~~ regulatory requirements.

22.1.7 Order of Disclosure~~.~~ :

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

22.1.8 Termination of Agreement~~.~~ :

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

22.1.9 Remedies~~.~~ :

The Parties agree that monetary damages would be inadequate to compensate a

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

22.1.10 Disclosure to FERC, its Staff, or a State ~~Regulatory Agency.~~ :

Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff~~, or if a state regulatory agency,~~ during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

~~**22.1.11 Permitted Disclosures of Confidential Information.**~~
22.1.11:

Subject to the exception in Article 22.1.10, any ~~Confidential Information~~ information that a Party claims ~~contains~~is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be

disclosed by the other Party to any person ~~who is~~ not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area ~~Operator~~operator including disclosing the Confidential Information to an RTO or ISO or to a ~~subregional,~~ 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.

22.1.12 CPRA, Brown Act ~~and NERC/WECC Requirements.~~:

In addition to the foregoing provisions under this Article 22, Interconnection Customer acknowledges that Transmission Provider is subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§6250 et seq. ("CPRA") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 et. seq. ~~("Brown Act"), as well as certain data sharing requirements imposed by NERC and WECC. Any data sharing with NERC or WECC shall be made pursuant to the requirements imposed by NERC and WECC and any applicable data sharing or confidentiality agreements.~~("Brown Act"). Requests for information made directly to Transmission Provider pursuant to CPRA will be managed in a similar manner identified within Article 22.1.11. For purposes of the Brown Act, the Parties shall adhere to the provisions of Article 22.1 to maintain confidentiality.

Article 23~~.~~: Environmental Releases

23.1:

Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the

Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24~~.~~ : Information Requirements

24.1 Information Acquisition~~.~~ :

Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards. ~~Transmission Provider and Interconnection Customer shall designate and mark any materials determined to be CEII.~~

24.2 Information Submission by Transmission Provider~~.~~ :

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

24.3 Updated Information Submission by Interconnection Customer~~. All~~ :

The updated information submission by Interconnection Customer, including manufacturer information ~~and any revision to the Large Generating Facility data requirements contained in Appendix 1 to the LGIP~~, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. ~~Additionally, such updated information submission shall~~Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the ~~Interconnection~~

~~Studies~~Cluster Study and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study ~~agreement~~Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies~~, at Interconnection Customer's expense,~~ to determine the impact on Transmission Provider's Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such ~~study(ies) is/~~studies are completed~~ and any subsequent mitigation, as determined from the study result(s), is implemented~~.

24.4 Information Supplementation~~.~~ :

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

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

Subsequent to the Commercial Operation Date, Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide Interconnection Customer ~~with~~ any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. ~~Each Party is obligated to~~The Parties shall provide ~~the above~~such information ~~to the other~~ no later than thirty (30) Calendar Days after the date of ~~any repair or adjustment has been completed or any~~the equipment replacement ~~has been placed into service~~, repair or adjustment.

Article 25~~.~~: Information Access and Audit Rights

25.1 Information Access~~.~~:

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

25.2 Reporting of Non-Force Majeure Events~~.~~:

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

25.3 Audit Rights~~.~~:

Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining

to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods~~.~~:

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

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

25.4.2 Audit Rights Period for All Other Accounts and Records~~.~~ :

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

25.5 Audit Results~~.~~ :

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

Article 26~~.~~ : Subcontractors

26.1 General~~.~~ :

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

26.2 Responsibility of Principal~~.~~ :

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

26.3 No Limitation by Insurance~~.~~ :

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

Article 27~~.~~ : Disputes

27.1 Submission~~.~~ :

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with ~~this~~the LGIA, the LGIP, or ~~its~~their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such Notice of Dispute shall not be deemed a waiver of the requirements of, nor construed as compliance with, California Government Code Section 910 et seq., or any successor statute.

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 ~~written~~ agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA; provide that, any dispute arising out of or relating to this LGIA shall be brought in a state or federal court in the County of Los Angeles in the State of California. Each Party irrevocably agrees to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens*.

27.2 External Arbitration Procedures~~.~~ :

Any arbitration initiated under ~~this LGIA~~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"); provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

27.3 Arbitration Decisions~~.~~ :

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of ~~this~~the LGIA and LGIP and shall have no power to modify or change any provision of ~~this Agreement~~the LGIA and LGIP 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.

27.4 Costs.—:

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

Article 28.——: Representations, Warranties, and Covenants

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

28.1.1 Good Standing.—:

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

28.1.2 Authority.—:

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

28.1.3 No Conflict

.—The execution, delivery and performance of this LGIA does not violate or conflict with any law,the organizational or formation documents, or bylaws, charter or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 Consent and Approval

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

Article 29.——: Joint Operating Committee

29.1 Joint Operating Committee.—:

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

29.1.1:

Establish data requirements and operating record requirements.

29.1.2:

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

29.1.3:

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

29.1.4:

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

29.1.5:

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

29.1.6:

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

Article 30.: Miscellaneous

30.1 Binding Effect.:

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

30.2 Conflicts.:

In the event of a conflict between the body of this LGIA and any attachment,

appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation~~.~~ :

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

30.4 Entire Agreement~~.~~ :

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

30.5 No Third-Party Beneficiaries.—:

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

30.6 Waiver.—:

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

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

30.7 Headings.—:

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

30.8 Multiple Counterparts.—:

This LGIA may be executed in ~~two~~one or more counterparts, and by the parties in separate counterparts, each of which ~~is~~when executed shall be deemed to be an original but all of which taken together shall constitute one and the same ~~instrument~~agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

30.9 Amendment~~. Expressly excepting any updates made to Appendix F, the~~:

The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.

30.10 Modification by the Parties.—:

The Parties may by mutual agreement amend the Appendices to this LGIA by ~~a written~~an instrument duly executed by the Parties. Such written amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reserved.:

30.12 No Partnership.—:

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

~~**30.13 Severability.** If any part, term or provision of this LGIA is determined to be invalid, illegal, unenforceable, or in conflict with any law of a federal, state or local government having jurisdiction over this LGIA, such determination shall be limited to those specific parts, terms or provisions and shall not affect the enforceability or validity of any other provision hereof, which shall remain in full force and effect.~~

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

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS

By:_____
General Manager

Date: _____

And: _____
Board Secretary

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

~~Appendix~~APPENDIX A ~~to~~TO LGIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades:

1~~.~~ : Interconnection Facilities~~:~~

(a~~)~~): [insert Interconnection Customer's Interconnection Facilities~~]~~:]

(b~~)~~): [insert Transmission Provider's Interconnection Facilities~~]~~:]

2~~.~~ : Network Upgrades~~:~~

(a~~)~~): [insert Stand Alone Network Upgrades]:

(b~~)~~): [insert Other Network Upgrades]:

3~~.~~ : Distribution Upgrades:

~~**Appendix**~~

APPENDIX B ~~to~~TO LGIA

Milestones

~~**Appendix**~~

APPENDIX C ~~to~~TO LGIA

Interconnection Details:

~~[To be developed by Transmission Provider]~~

~~Appendix~~1: Interconnection Details

(a): [insert Interconnection Details]

2: Control Technologies and Protection Systems

(a): [insert control technologies and protection systems]

3: Actions and Obligations When Output Is Exceeding the Interconnection Service Level

If the Generating Facility is exceeding its contracted Level of Interconnection Service, Transmission Provider will contact the Generator Operator and/or Generating Facility's Balancing Authority and issue an Operating Instruction to return the output to the contracted Level of Interconnection Service. If the Generator Operator and/or Generating Facility's Balancing Authority has not begun to reduce the Generating Facility's output to the contracted Level of Interconnection Service within the time period specified in the Operating Instruction, Transmission Provider can take action up to and including disconnection of the Generating Facility from the Transmission System at the Point of Interconnection.

APPENDIX D ~~to~~TO LGIA

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. ~~There is an expectation~~FERC will expect that all Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System ~~will~~to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best ~~practices utilized in~~practice recommendations from the electric reliability authority. ~~Each Party~~All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

~~**Appendix**~~
.

APPENDIX E ~~to~~TO LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

[Date]

[Transmission Provider Address]

Re: _____ Large Generating Facility

Dear _____:

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

Thank you.

[Signature]

[Interconnection Customer Representative]

~~**Appendix**~~

APPENDIX F ~~to~~TO LGIA
Addresses for Delivery of Notices and Billings

Notices:

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Billings and Payments:

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

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

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

~~**Appendix**~~

APPENDIX G ~~to LGIA~~

:

INTERCONNECTION REQUIREMENTS FOR A ~~WIND~~NON-SYNCHRONOUS GENERATING PLANT

Appendix G sets forth requirements and provisions specific to a ~~wind~~Non-Synchronous generating plant. All other requirements of this LGIA continue to apply to ~~wind~~Non-Synchronous generating plant interconnections~~.~~

A~~.~~ ~~:~~ Technical Standards Applicable to a Wind Generating Plant

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

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

~~Transition~~ **Post-transition Period LVRT Standard**

~~The transition period standard applies to wind generating plants that have either: (i) interconnection agreements signed, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.~~

~~1.~~ ~~Wind~~All Non-Synchronous generating plants subject to FERC Order No. 661 and covered by the transition period described above must meet the following requirements:

Non-Synchronous 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 ~~pre-fault~~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~~Non-Synchronous generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the ~~wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or "GSU"), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.~~

~~2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.~~

~~3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.~~

~~4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.~~

~~5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.~~

~~**Post-transition Period LVRT Standard**~~

~~All wind generating plants not covered by the transition period described above must meet the following requirements:~~

1. ~~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 pre-fault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind~~Non-Synchronous 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~~Non-Synchronous generating plant may disconnect from the transmission system. A ~~wind~~Non-Synchronous 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~~Non-Synchronous "GSU".

2. ~~2.~~

This requirement does not apply to faults that would occur between the ~~wind~~Non-Synchronous generator terminals and the high side of the GSU.

3. ~~3.~~

~~Wind~~Non-Synchronous generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. ~~4.~~

~~Wind~~Non-Synchronous 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~~Non-Synchronous generating plant or by a combination of generator performance and additional equipment.

5. ~~5.~~

Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

i. ~~ii.~~ Power Factor Design Criteria (Reactive Power~~)~~):

The following reactive power requirements apply only to a newly interconnecting wind generating plant that has ~~not yet~~ executed a Facilities Study Agreement as of the effective date ~~of Transmission Provider's Form of Large Generator Interconnection Agreement.~~the Final Rule establishing the reactive power requirements for non-synchronous generators in section 9.6.1 of this LGIA (Order No. 827). A ~~wind~~Non-Synchronous generating plant to which this provision applies shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured ~~either (1) at the high side of the generator substation or (2)~~ at the Point of Interconnection as defined in this LGIA, ~~depending on the election made pursuant to Section 9.6.1.2 of the LGIA,~~ if the Transmission Provider's ~~System Impact~~Cluster Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the ~~wind~~Non-Synchronous plant is in operation. ~~Wind~~Non-Synchronous plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the ~~System Impact~~Cluster Study shows this to be required for system safety or reliability.

ii. ~~iii.~~ Supervisory Control and Data Acquisition (SCADA) Capability:

The ~~wind~~Non-Synchronous plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the ~~wind~~Non-Synchronous plant Interconnection Customer shall determine what SCADA information is essential for the proposed ~~wind~~Non-Synchronous 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.

~~Appendix H to LGIA~~

~~Common Facilities~~

~~Appendix H and its exhibits identify Common Facilities, and set forth requirements for the use of the Common Facilities and the allocation of costs for such use.~~

~~1. Common Facilities~~

~~Common Facilities shall be that portion of the Transmission Provider's Interconnection Facilities, such Transmission Provider's Interconnection Facilities constructed pursuant to the terms of this Agreement, that is used by one or more third parties and the Capital Expenses of which the Transmission Provider determines to be reimbursable by Interconnection Customer. Transmission Provider will identify any such Common Facilities in Exhibit 1 to this Appendix H.~~

~~2. Reimbursement Methodology~~

~~Reimbursement of Interconnection Customer's Capital Expenses shall be based upon the methodology in Exhibit 2 to this Appendix H.~~

~~Capital Expenses eligible for reimbursement, except for land, will be calculated as original installed costs, including any loading rates applied thereto. Capital Expenses for land will be based upon an appraisal agreed upon by the Parties. Future Capital Expenses related to Transmission Provider's Interconnection Facilities and Common Facilities similarly shall be calculated and added to the existing Capital Expenses as a basis for pro rata charges and reimbursements in the future.~~

~~Reimbursements to the Interconnection Customer related to third party use of the Transmission Providers' Interconnection Facilities and/or the Common Facilities shall be made by the Transmission Provider to the Interconnection Customer in a single payment within 90 business days after the third party's in-service date as determined pursuant to the terms of the third party's interconnection agreement with the Transmission Provider.~~

~~Payment for Use of Common Facilities~~

~~If Interconnection Customer interconnects to and uses Common Facilities, on or before the In-Service Date the Interconnection Customer shall make the Common Facilities Use Fee payment to the Transmission Provider as determined in accordance with the formula set forth in Exhibit 3 to this Appendix H.~~

~~3. Cost Responsibility Ratio~~

~~The Cost Responsibility Ratio is for the purpose of: (i) allocating to the Interconnection Customer a portion of the costs set forth in Section 5 below and (ii) determining the Common Facilities Use Fee payment.~~

~~The Cost Responsibility Ratio shall be recomputed by the Transmission Provider in accordance with Exhibit 4 of Appendix H of this LGIA to reflect the installation of any additional interconnection(s) to the Common Facilities and shall be effective upon the in-service date of such additional interconnection(s) as determined pursuant to the terms of the interconnection agreement with the Transmission Provider for such additional interconnection(s). Upon completion of such recomputation, Transmission Provider shall revise Exhibit 4 and, as soon thereafter as practicable.~~

~~4. Allocation of Costs~~

~~Transmission Provider shall calculate the costs and expenses of operation, maintenance, Capital Improvements, Operating Work, insurance, and taxes, including but not limited to overhead expenses, applicable labor loading charges, administrative and general overhead expenses for the Common Facilities, all in accordance with standard accounting practice and the applicable provisions of the Transmission Provider governing agreements, and shall allocate and charge to Interconnection Customer its Cost Responsibility Ratio share as set forth in Exhibit 4 of Appendix H, of such costs and expenses as set forth below:~~

~~Exhibit 1 of Appendix H~~

~~[FORM OF]~~

~~Common Facilities~~

~~This Exhibit 1 describes a description of the Common Facilities.~~

~~Common Facilities~~	~~Cost as of (month/year)~~
~~Land & Land Rights~~	~~$~~
~~Structures & Improvements~~	~~$~~
~~Roads~~	~~$~~
~~Overhead Conductor~~	~~$~~
~~Station Service~~	~~$~~
~~Meter Relay/Control~~	~~$~~
~~Digital Fault Recorder~~	~~$~~
~~DC System~~	~~$~~
~~Communications~~	~~$.~~
~~Subtotal~~	~~$~~
~~Administrative & General Expenses~~	~~$.~~
~~TOTAL~~	~~$.~~

~~Exhibit 2 to Appendix H~~

~~[FORM OF]~~

~~Interconnection Reimbursement Methodology~~

~~This Exhibit 2 sets forth the methodology for the reimbursement of Interconnection Customer's Capital Expenses.~~

~~Interconnection Customer shall be reimbursed for Capital Expenses based on third party interconnections to the Common Facilities, or any part thereof. The second interconnection will yield a 1/2 reimbursement of the initial Capital Expenses to the Interconnection Customer. A third interconnection will yield a 1/3 obligation of the initial Capital Expenses from such third Interconnection Customer, which will result in an additional 1/6 reimbursement to the Interconnection Customer of the initial Capital Expenses. Additional interconnections similarly will yield pro rata and proportional fractional obligations for the initial Capital Expenses and corresponding reimbursement to prior existing Interconnection Customers.~~

~~Key to Tables 1 - 3 in examples below~~

~~A~~	~~= connections used by Interconnection Customer (IC)~~
~~B~~	~~= connections used by Transmission Provider (TP)~~
~~C~~	~~= connections used by Third Parties~~

~~1. Table #1 details (illustrative) currently configured cost responsibilities:~~

~~Table #1 - Current Transmission Provider Interconnection Configuration~~				~~O&M Cost Responsibility~~	
~~IC~~	$= \frac{A}{(A+B+C)}$	$= \frac{1}{(1+0+0)}$	$= \frac{1}{(1)}$	~~= 1~~	
~~TP~~	$= \frac{B}{(A+B+C)}$	$= \frac{0}{(1+0+0)}$	$= \frac{0}{(1)}$	~~= 0~~	

~~Third Party~~	$= \frac{C}{(A+B+C)}$	$= \frac{0}{(1+0+0)}$	$= \frac{0}{(1)}$	$= 0$	

~~2. Table #2 illustrates cost responsibilities assuming a single future third party interconnector along wi~~
~~Table #1:~~

~~Table #2 - Potential Third Party Interconnection: *for illustration only*~~				~~O&M Cost Responsibility~~	
~~IC~~	$= \frac{A}{(A+B+C)}$	$= \frac{1}{(1+0+1)}$	$= \frac{1}{(2)}$	$= \frac{1}{2}$	
~~TP~~	$= \frac{B}{(A+B+C)}$	$= \frac{0}{(1+0+1)}$	$= \frac{0}{(2)}$	$= 0$	
~~Third Party~~	$= \frac{C}{(A+B+C)}$	$= \frac{1}{(1+0+1)}$	$= \frac{1}{(2)}$	$= \frac{1}{2}$	

~~3. Table #3 illustrates cost responsibilities assuming a second future third party interconnector along w~~
~~Table #2:~~

~~Table #3 - Potential Third Party Interconnection: *for illustration only*~~				~~O&M Cost Responsibility~~	
~~IC~~	$= \frac{A}{(A+B+C)}$	$= \frac{1}{(1+0+2)}$	$= \frac{1}{(3)}$	$= \frac{1}{3}$	
~~TP~~	$= \frac{B}{(A+B+C)}$	$= \frac{0}{(1+0+2)}$	$= \frac{0}{(3)}$	$= 0$	
~~#1 Third Party~~	$= \frac{C}{(A+B+C)}$	$= \frac{1}{(1+0+2)}$	$= \frac{1}{(3)}$	$= \frac{1}{3}$	

~~#2 Third Party~~	$= \frac{C}{(A + B + C)}$	$= \frac{1}{(1 + 0 + 2)}$	$= \frac{1}{(3)}$	$= \frac{1}{3}$

~~**Exhibit 3 to Appendix H**~~

~~**[FORM OF]**~~

~~**Common Facilities Use Fee**~~

~~This Exhibit 2 provides the methodology for calculation of a one-time payment to be made by Interconnection Customer for use of Common Facilities.~~

~~The one-time payment by Interconnection Customer is calculated as follows:~~

~~P = OIC x CRR~~

~~Where:~~

~~P = Payment by Interconnection Customer for use of Common Facilities.~~

~~OIC = Original installed costs of Common Facilities prior to Interconnection Customer's interconnections, as shown on Exhibit 1.~~

~~CRR = Interconnection Customer's CRR calculated pursuant to Exhibit 4 to Appendix H.~~

~~Exhibit 4 to Appendix H~~

~~[FORM OF]~~

~~Cost Responsibility Ratio~~

~~This Exhibit 4 provides the computation of the Cost Responsibility Ratio ("CRR"):~~

~~CRR = B~~
~~A+B+C~~

~~Where: A = Connections used by TP (if applicable)~~

~~B = Connections used by Interconnection Customer~~

~~C = Connections used by others~~

~~TOTAL NUMBER OF INTERCONNECTIONS = [To be added]~~

~~Connections~~

~~Name of Connection~~	~~Transmission Provider~~	~~Interconnection Customer~~	~~Others~~
~~XX~~	~~XX~~	~~XX~~	~~XX~~
~~XX~~	~~XX~~	~~XX~~	~~XX~~

~~Note:~~

~~(1) The CRR shall be applied to the one-time payment pursuant to Exhibit 3.~~

~~(2) The CRR also shall be applied to all other costs and expenses that are allocable to Interconnection Customer under this Agreement.~~

APPENDIX 7 TO LGIP

INTERCONNECTION PROCEDURES FOR A ~~WIND~~

NON-SYNCHRONOUS GENERATING ~~PLANT OR SOLAR GENERATING~~

~~PLANT~~FACILITY

This appendix sets forth procedures specific to ~~a wind~~all Non-Synchronous generating ~~plant or to a solar generating plant.~~facilities. All other requirements of this LGIP continue to apply to interconnections of ~~a wind generating plant or solar generating plant.~~Non-Synchronous facilities

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 the 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 System Impact Study.~~

~~B. Special Procedures Applicable to Solar Power~~Non-Synchronous Generation Facilities

The ~~solar plant~~ Interconnection Customer, in completing the Interconnection Request required by section 3.3 of this LGIP, may provide to the Transmission Provider a set of preliminary electrical design specifications depicting the Non-Synchronous generating facility ~~solar plant as a single equivalent inverter-based solar power generation~~ in terms of its megawatt output (MW or real power). Upon satisfying these and other applicable Interconnection Request conditions, the Non-Synchronous generating facility ~~solar power 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 ~~solar power plant~~ Interconnection Customer must submit the following: (i) completed detailed electrical design specifications; (ii) a WECC approved standard study model (standard model) if available. If the standard model for a given ~~solar generation~~ technology is not yet available, then the Interconnection Customer can provide vendor-specific, user-written or an equivalent model with a source code algorithm in General Electric's Engineer Programming Control Language (EPCL) that can be compiled at run time by Power System Load Flow (PSLF) platform's internal compiler; however, once a standard model becomes available, the Interconnection Customer should begin furnishing such standard model; and (iii) other data (including collector system layout data) needed to allow the Transmission Provider to complete the ~~System Impact Study.~~Cluster Study. If Non-Synchronous facility uses momentary cessation, considerations should be made to eliminate momentary cessation. If eliminating momentary cessation is not a feasible solution the model submitted must reasonably represent the momentary cessation according to WECC and NERC guidelines. Interconnection customer shall provide a model that reasonably represent the facility according to WECC guidelines 90 days prior to in service date and an "as-built" model for Non-Synchronous facility prior to Commercial Operation Date.

Attachment A to Appendix 7
Interconnection Data for
~~Solar Photovoltaic~~Non-Synchronous Generating Plants

Solar Photovoltaic (PV) Specifications

Technologies: ___Thin Film PV ___Monocrystalline PV ___Polycrystalline PV ___Other (Specify below)

_____

Manufacturer, Model Name, and Number_____
Total Number of PV Panels _____
Rated Maximum Power Output (kW) _____Summer _____Winter
Nominal Voltage (DC) _____V

Wind Specifications

Technologies: ___Type I ___Type II ___Type III ___Type IV
Other (Specify below)

_____

Manufacturer, Model Name, and Number_____
Total Number of turbines _____
Rated Maximum Power Output (kW) _____Summer _____Winter
Nominal Voltage (DC) _____V

Energy Storage Specifications

Technologies: _____
Duration _____hrs
If Project is PV and Storage: DC Coupled___ AC Coupled_____
Rated Maximum Power Output (kW) _____Summer _____Winter
Nominal Voltage (DC) _____V

Inverter Specifications

Manufacturer, Model Name, and Number_____
Version Number_____
Total Number of Inverters _____
Voltage (DC) Input Range _____V
Maximum Voc (DC) _____V
Number of Phases _____
AC Voltage Range _____V
Maximum Output Current per Phase _____A
Maximum Continuous Output Power _____kW
Nominal Output Frequency _____Hz
Power Factor _____
Total Harmonic Distortion (THD) _____%
Momentary Cessation used _____
High Voltage Momentary Cessation threshold _____pu
Low Voltage Momentary Cessation threshold _____pu
Time delay before inverter begins injecting current after momentary cessation, once the voltage has returned to within the momentary cessation voltage threshold
_____(milliseconds)
Ramp rate when recovering from momentary cessation _____(%nameplate rating/sec)

High-Voltage Ride-Through (HVRT)		Low-Voltage Ride-Through (LVRT)	
Voltage (pu)	Time Delay (sec)	Voltage (pu)	Time Delay (sec)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

High-Frequency Ride-Through (HFRT)		Low-Frequency Ride-Through (LFRT)	
Frequency (Hz)	Time Delay (sec)	Frequency (Hz)	Time Delay (sec)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

Isolation Transformer Specifications

Low Side and High Side Voltages _____/_____kV
MVA Base _____MVA Continuous Rating _____MVA
Emergency Rating _____MVA Reactance _____% or _____ p.u
Transformer Connection _____ Number of Transformers _____

Equipment Certifications

List the above components of the Solar Facility that are currently certified:

Equipment Type	Certifying Entity
1._____	_____
2._____	_____
3._____	_____

Certification and Standards

1. IEEE Std 519-~~1992~~2014, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems.
2. UL 1703 Standard for Safety, Flat-Plate Photovoltaic Modules and Panels
3. UL 1741 Standard for Inverters, Converters, and Controllers for Use in Independent Power Systems
4. IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV) Systems.

ATTACHMENT M-1

Process for Transitioning to "First-Ready, First-Served" Interconnection Queue Procedures

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1. SCOPE AND APPLICATION OF ATTACHMENT M-1

Section 1.1: Scope of Transition Process

All Small Generating Facility Interconnection Requests and Large Generating Facility Interconnection Requests received and pending by the end of the first full calendar quarter following the Effective Date of this Attachment M-1 (the "Transition Close Date") will be processed under this Attachment M-1. This Attachment M-1 sets forth the procedures by which Transmission Provider will process, including in a cluster study ("Transition Cluster Study") or cluster re-study ("Transition Cluster Re-Study"), any Interconnection Request from a Small Generating Facility Interconnection Request subject to study under Attachment N of Transmission Provider's OATT or Large Generating Facility Interconnection Request received by the Transition Close Date (collectively, "Transition Requests"). Small Generating Facility Interconnection Requests or Large Generating Facility Interconnection Requests received between the Transition Close Date and the effective date of this Attachment M-1 ("Effective Date") shall be deemed submitted within the first Cluster Request Window following completion of the Transition Cluster Study process in this Attachment M-1, and shall be processed pursuant to Attachment M or Attachment N, as applicable. Small Generating Facility and Large Generating Facility Interconnection Requests received after the Effective Date shall be processed pursuant to Attachment M or Attachment N, as applicable.

Section 1.2: Transition Cluster Study Eligibility

All Transition Requests shall be subject to the provisions of this Attachment M-1.

Section 1.2.1: Late-Stage Transition Requests

An Interconnection Customer with a Transition Request that, as of thirty (30) Business Days after the Transition Close Date, is at or beyond the point in the interconnection process when it has been tendered a Facilities Study Agreement but has not executed an LGIA or, as applicable, SGIA, ("Late-Stage Transition Request") shall not be required to enter the Transition Cluster process conducted pursuant to Sections 2 - 4 of this Attachment M-1. Late-Stage Transition Requests may either: (a) continue through the remaining Facilities Study and interconnection agreement execution phases of this Attachment M-1; or (b) opt into the Transition Cluster process performed under Sections 2 - 4 of this Attachment M-1 by notifying Transmission Provider in writing no later than sixty (60) Business Days after the Transition Close Date and meeting the requirements in Section 2. Late-Stage Transition Requests electing to opt into the Transition Cluster process shall forfeit and/or terminate as appropriate any previous interconnection study results or interconnection study agreements, or previously tendered but unexecuted LGIA or SGIA. For Late-Stage Transition Requests that elect to continue through the remaining Facilities Study and interconnection agreement execution phases of this Attachment M-1, i.e., elect not to join the Transition Cluster, the Interconnection

Customer must provide: (a) a demonstration of Site Control pursuant to Section 2.1.2 of this Attachment M-1; and, in the case of a Large Generator Interconnection Request only, (b) a demonstration of a Readiness Milestone option in Sections 2.1.1(b) or 2.1.1(c) of this Attachment M-1. Each demonstration required by the previous sentence for a Late-Stage Transition Request must be made before Transmission Provider will tender an LGIA or SGIA for execution, but made upon the later of ninety (90) Business Days after the Transition Close Date. Any Late-Stage Transition Requests that fail to meet the requirements of this Section 1.2.1 shall be deemed withdrawn.

Section 1.3: Relationship to LGIP and SGIP

Except as otherwise provided in, or modified by, this Attachment M-1, Attachment M and, in the case of Small Generating Facilities, Attachment N, shall apply to Transition Requests.

Section 1.4: Defined Terms

Unless otherwise indicated in this Attachment M-1, capitalized terms used in this Attachment M-1 shall have the definitions set forth in Attachment M, Section 1 and, in the case of Small Generating Facilities, the definitions set forth in Attachment N.

2. PROCESSING OF TRANSITION REQUESTS

Section 2.1: Transition Cluster Study Eligibility: Readiness Milestones, Site Control, and Additional Study Deposit

To be eligible for inclusion in a Transition Cluster Study, a Transition Request must satisfy the requirements of this Section 2.1 (except Section 2.1.1) by no later than sixty (60) Business Days after the Transition Close Date, subject to the Interconnection Customer's opportunity to correct identified deficiencies pursuant to Section 2.2 ("the Transition Readiness Deadline").

Notwithstanding Attachment M, Section 3.4, Interconnection Customer shall promptly inform Transmission Provider of any material change to Interconnection Customer's demonstration, or continuing demonstration, of Site Control under Section 2.1.2 or satisfaction of a Readiness Milestone Option under Section 2.1.1 that has already been previously demonstrated. Upon Transmission Provider determining separately that Interconnection Customer fails to continue demonstrating Site Control once initially demonstrated, or fails to meet a previously demonstrated Readiness Milestone Option under Section 2.1.1, Transmission Provider shall give Interconnection Customer ten (10) Business Days to demonstrate satisfaction with the applicable requirement to Transmission

Provider's satisfaction. Absent such demonstration, Transmission Provider will deem the subject Interconnection Request withdrawn.

Section 2.1.1: Readiness Criteria Applicable to Transition Requests for Large Generating Facilities

By no later than the Transition Readiness Deadline, Interconnection Customer with a Large Generating Facility Transition Request eligible for inclusion in a Transition Cluster Study must submit to the Transmission Provider sufficient evidence of one of the following Readiness Milestone Options totaling the entire capacity of the Generating Facility (or requested Interconnection Service amount if the requested Interconnection Service is less than the Generating Facility Capacity in the case of Large Generating Facility Transition Requests only) that is the subject of the Transition Request:

(a) Executed term sheet (or comparable evidence) related to a contract for sale of (i) the constructed Generating Facility to a load-serving entity or to a commercial, industrial, or other large end-use customer, (ii) the Generating Facility's energy where the term of sale is not less than five (5) years, or (iii) the Generating Facility's ancillary services if the Generating Facility is an electric storage resource where the term of sale is not less than five (5) years;

(b) Executed contract binding upon the parties for sale of (i) the constructed Generating Facility to a load-serving entity or to a commercial, industrial, or other large end-use customer, (ii) the Generating Facility's energy where the term of sale is not less than five (5) years, or (iii) the Generating Facility's ancillary services if the Generating Facility is an electric storage resource where the term of sale is not less than five (5) years; or

(c) Reasonable evidence that the Generating Facility has been selected in a Resource Plan or Resource Solicitation Process by or for a load-serving entity, or is being developed for purposes of a sale to a commercial, industrial, or other large end-use customer.

For the avoidance of doubt, the additional readiness criteria under Attachment M, Section 3.4.1(v) do not apply to Transition Requests under this Attachment M-1.

Section 2.1.2: Site Control

Interconnection Customers with Transition Requests for Small Generating Facilities shall demonstrate Site Control pursuant to Attachment N.

Interconnection Customers with Transition Requests for Large Generating Facilities shall either:

(a) post a deposit of $10,000, or

(b) demonstrate Site Control as defined in Attachment M. Specifications for acceptable site size for the purposes of demonstrating Site Control are posted on Transmission Provider's OASIS website. Interconnection Customer may propose alternative specifications for site size to those posted on OASIS for Transmission Provider approval. In the event Transmission Provider and Interconnection Customer cannot reach agreement related to adequacy of site size, Transmission Provider will accept a Professional Engineer (licensed in the state of the Point of Interconnection) stamped site plan drawing that depicts the proposed generation arrangement and specifies the maximum facility output for that arrangement. Deposits posted in accordance with this Section 2.1.2 shall be applied toward any Interconnection Studies for the Transition Request.

Section 2.1.3: No Additional Cluster Study Deposits

Other than deposits provided in accordance with Section 2.1.2 of this Attachment M-1, Transmission Provider shall not assess any additional study deposits for Transition Requests entering the Transition Cluster Studies. Consistent with Section 3.2, Interconnection Customer with a Transition Request shall be responsible for its allocable share of actual Transition Cluster Study costs, and restudy costs if applicable.

Section 2.1.4: Definitive Point(s) of Interconnection Designation

If not designated already, Interconnection Customer with a Transition Request must designate a definitive Point of Interconnection to be studied in the Transition Cluster study.

Section 2.1.5: Interconnection Service Type Designation

If not designated already, Interconnection Customer with a Transition Request must designate either Energy Resource Interconnection Service or Network Resource Interconnection Service to be studied in the Transition Cluster Study. 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 of five (5) Business Days after the initial Cluster Study Report Meeting held under this Attachment M-1, Section 3.6. Interconnection Customer may then elect to proceed with Network Resource

Interconnection Service or to proceed under a lower level of interconnection service to the extent that only certain upgrades will be completed.

Section 2.1.6: Completed and Updated Interconnection Request Form

Interconnection Customer with a Transition Request must provide the applicable Interconnection Request form, such as Appendix 1 to the LGIP, with all information updated as of the submittal.

Section 2.2: Deficiencies Curable by Transition Readiness Deadline

If an Interconnection Request fails to meet the requirements set forth in Sections 2.1.2, 2.1.4, 2.1.5 or 2.1.6 by no later than sixty (60) Business Days after the Transition Close Date, Transmission Provider shall notify the Interconnection Customer within fifteen (15) Business Days of such failure. Interconnection Customer shall provide Transmission Provider the additional requested information needed to satisfy the requirements of Section 2.1 by no later than the Transition Readiness Deadline. Transition Requests that do not meet the requirements in Section 2.1 of this Attachment M-1 by the Transition Readiness Deadline shall be deemed withdrawn.

3. TRANSITION REQUEST CLUSTER STUDIES

Section 3.1: Transition Cluster Preparation

Within five (5) Business Days following the Transition Readiness Deadline, Transmission Provider shall post on its OASIS site a list of all Transition Requests to be included in the Transition Cluster Study.

Within ten (10) Business Days of the Transition Readiness Deadline, Transmission Provider shall hold a scoping meeting, consistent with the process described in Attachment M, Section 3.3.4, with all Transition Requests to be studied in the Transition Cluster.

All Transition Requests that meet the requirements of Section 2.1 of this Attachment M-1 by the Transition Readiness Deadline and that have executed a Cluster Study Agreement in the form of Appendix 3 to the Transmission Provider's LGIP shall be included in that Transition Cluster Study. Any Transition Requests that do not meet the requirements of Section 2 to be eligible to enter the Transition Cluster Study or that are undergoing Dispute Resolution as of the Transition Readiness Deadline shall not be included in the Transition Cluster.

Section 3.2: Transition Request Cluster Study Agreement

Unless otherwise agreed, by no later than five (5) Business Days following the Transition Readiness Deadline, Transmission Provider shall provide to Interconnection Customer a Cluster Study Agreement in the form of Appendix 3 to Transmission Provider's LGIP. Pursuant to the Cluster Study Agreement, the Interconnection Customer shall compensate Transmission Provider for the actual costs of the Transition Cluster Study in accordance with the Study Cost Allocation methodology in Attachment M, Section 4.2.2, net of any remaining study deposits already provided by the applicable Interconnection Customer prior to the Effective Date. Along with the Cluster Study Agreement, Transmission Provider shall provide to Interconnection Customer a non-binding updated good faith estimate of the cost for completing the Transition Cluster Study.

Section 3.3: Execution of Transition Cluster Study Agreement

Interconnection Customer shall execute and return the Cluster Study Agreement to Transmission Provider no later than fifteen (15) Business Days after the Transition Readiness Deadline. If the Interconnection Customer elects not to execute the Transition Cluster Study Agreement, its Interconnection Request shall be deemed withdrawn.

Section 3.4: Conducting the Transition Cluster Studies

Transmission Provider may conduct separate Transition Cluster Studies for different electrically relevant areas as set forth in this Section 3.4 and its subsections. After all Interconnection Customers in the Transition Cluster that have met the requirements of Section 2.1 of this Attachment M-1 have executed Cluster Study Agreements or the time period for such execution under Section 3.3 has lapsed, the Transmission Provider will commence the Transition Cluster Studies and perform such Transition Cluster Studies pursuant to the procedures in Attachment M, Sections 7.4 and 7.5.

Section 3.4.1: Use of Cluster Areas

Transmission Provider may segment and perform the Transition Cluster Studies according to geographically and electrically relevant areas on the Transmission Provider's Transmission System ("Cluster Area") in the manner described in Attachment M, Section 7.4.

Section 3.4.2: Scope of Transition Request Cluster Study

The Transition Cluster Study shall have the same scope as the scope of the Cluster System Impact Study, as set forth in Attachment M, Section 7.3.

Transmission Provider shall use Reasonable Efforts to complete the Transition Cluster Study no later than one hundred-fifty (150) Calendar Days after the

Transition Readiness Deadline.

Section 3.5: Allocation of Transmission Provider's Interconnection Facilities and Network Upgrade Costs Within Transition Cluster Studies

Except as may be modified in Section 3.7 in this Attachment M-1, for Transmission Provider's Interconnection Facilities and Network Upgrades identified in Transition Cluster Study, Transmission Provider shall calculate the share of costs for each Interconnection Customer within the Transition Cluster in accordance with the allocation methodology in Attachment M, Section 4.2.3.

Section 3.6: Transition Request Cluster Study Report and Meeting with Transmission Provider

Transmission Provider will publish a report following the completion of the Transition Cluster Study ("Transition Cluster Study Report"). Within ten (10) Business Days of furnishing Transition Cluster Study Report or, if a Transition Re-Study was required pursuant to the procedures in Attachment M, Section 7.5(c) a re-study report ("Cluster Re-Study Report"), to Interconnection Customers and posting such report on OASIS, Transmission Provider shall convene an open meeting to discuss the study results ("Cluster Study Report Meeting" or "Cluster Re-Study Report Meeting"). Transmission Provider shall, upon request, also make itself available to meet with individual Interconnection Customers after the report is provided.

4. RE-STUDIES

If Re-Study of the Transition Cluster Study is required due to a project from Transition Cluster dropping out, or a modification of a higher queued project subject to Attachment M, Section 7.5, Transmission Provider shall notify Interconnection Customer(s) in writing. The Transmission Provider shall make Reasonable Efforts to ensure such Re-Study takes no longer than one hundred fifty (150) Calendar Days from the date of notice. Any cost of Re-Study shall be borne by Interconnection Customer(s) being re-studied in accordance with Section 3 of this Attachment M-1.

5. INTERCONNECTION FACILITIES STUDIES FOR TRANSITION REQUESTS

Section 5.1: Increased Readiness Showing

Except for Late-Stage Transition Requests electing not to enter a Transition Cluster, which are subject to separate readiness requirements under Section 1.2.1 of this Attachment M-1, before a Transition Request can proceed to the Facilities Study phase, the applicable Interconnection Customer must make an enhanced readiness showing as set forth in

Section 5.2 of this Attachment M-1.

Section 5.2: Facilities Studies

Transmission Provider will conduct a separate Facilities Study for each Transition Request. Simultaneously with the issuance of the Transition Cluster Study Report, or Transition Cluster Re-Study Report if any, Transmission Provider shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 4 to the LGIP, or Attachment N, as applicable. The Interconnection Facilities Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection Facilities Study. Within ten (10) Business Days following the Cluster Study Report Meeting or, as applicable Cluster Re-Study Report meeting, 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:

a) Any required technical data;

b) A demonstration of Site Control pursuant to Section 2.1.2(b) of this Attachment M-1 (for Large Generating Facility Transition Requests only); and

c) Demonstration of a Readiness Milestone option in Section 2.1.1(b) or (c) of this Attachment M-1 (for Large Generating Facility Transition Requests only).

Interconnection Customers that fail to timely return an executed Interconnection Facilities Study Agreement or fail to satisfy the requirements of this Section 5.2 and its subparts will be deemed withdrawn. Withdrawal of Interconnection Requests at this stage may trigger a Cluster Re-Study.

Section 5.3: Other Facility Study Procedures

Except as otherwise provided in this Section 5, Interconnection Customer and Transmission Provider shall follow the procedures governing Facility Studies in Attachment M for Large Generating Facilities, or, in the case of Small Generating Facilities, Attachment N.

6. LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA) AND SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA)

Interconnection Customer and Transmission Provider shall follow the procedures

governing Large Generator Interconnection Agreements in Attachment M or, in the case of Small Generating Facilities, Attachment N.

7. WITHDRAWAL

Interconnection Customer may withdraw its Transition 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 Attachment M-1 or the LGIP (as applicable), except as provided in Attachment M, Section 13.5 (Disputes), Transmission Provider shall deem the Transition 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.

An Interconnection Customer that withdraws or is deemed to have withdrawn its Transition Request shall pay to Transmission Provider all costs that Transmission Provider prudently incurs with respect to that Transition 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. The additional Withdrawal Penalties under Attachment M will not apply to withdrawn Transition Requests.

ATTACHMENT N

Small Generator Interconnection Procedures

LOS ANGELES DEPARTMENT OF WATER AND POWER

Small Generator Interconnection Procedures (SGIP)

(For Generating Facilities No Larger Than 20 MW)

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Small Generator Interconnection Procedures (SGIP)

(For Generating Facilities No Larger Than 20 MW)

SECTION 1: APPLICATION FOR SMALL GENERATING FACILITY INTERCONNECTIONS

1.1: Applicability

1.1.1: A request to interconnect a Small Generating Facility no larger than 20 megawatts (MW) shall be evaluated under the section 3 Study Process. If the Interconnection Customer wishes to interconnect its Small Generating Facility using Network Resource Interconnection Service, it must do so under the Standard Large Generator Interconnection Procedures and execute the Standard Large Generator Interconnection Agreement. Small Generating Facilities that are subject to the study process in Section 3 shall be required to participate in Transmission Provider's Cluster process pursuant to Section 7 of Attachment M, except as otherwise provided in Section 3. This process does not cover interconnections to any facilities on the Transmission Provider's system that are rated 100 kV and below.

1.1.2: Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of these procedures.

1.1.3: Except as otherwise provided in Attachment M-1 of the Transmission Provider's Tariff, neither these procedures nor the requirements included hereunder apply to Small Generating Facilities interconnected or approved for interconnection prior to 60 Business Days after the effective date of these procedures.

1.1.4: Prior to submitting its Interconnection Request (Attachment 2), the Interconnection Customer may ask the Transmission Provider's interconnection contact employee or office whether the proposed interconnection is subject to these procedures. The Transmission Provider shall respond within 15 Business Days.

1.1.5: 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 authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.

1.1.6: References in these procedures to interconnection agreement are to the Small Generator Interconnection Agreement (SGIA).

1.2: Pre-Application

1.2.1: The 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 the 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 the Transmission Provider's Internet web site. Electric system information provided to the Interconnection Customer should include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on the Transmission Provider's Transmission System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. The 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 $300 for a pre-application report on a proposed project at a specific site. The Transmission Provider shall provide the pre-application data described in section 1.2.3 to the Interconnection Customer within 20 Business Days of receipt of the completed request form and payment of the $300 fee. The pre-application report produced by the Transmission Provider is non- binding, does not confer any rights, and the Interconnection Customer must still successfully apply to interconnect to the Transmission Provider's system. The written pre-application report request form shall include the information in sections 1.2.2.1 through 1.2.2.8 below to clearly and sufficiently identify the location of the proposed Point of Interconnection.

1.2.2.1: Project contact information, including name, address, phone number, and email address.

1.2.2.2: Project location (street address with nearby cross streets and town)

1.2.2.3: Meter number, pole number, or other equivalent information identifying proposed Point of Interconnection, if available.

1.2.2.4: Generator Type (e.g., solar, wind, combined heat and power, etc.)

1.2.2.5: Size (alternating current kW)

1.2.2.6: Single or three phase generator configuration

1.2.2.7: Stand-alone generator (no onsite load, not including station service – Yes or No?)

1.2.2.8: 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.

1.2.3: Using the information provided in the pre-application report request form in section 1.2.2, the Transmission Provider will identify the substation/area bus, bank or circuit likely to serve the proposed Point of Interconnection. This selection by the 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. The 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:

1.2.3.1: 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.

1.2.3.2: 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.

1.2.3.3: 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.

1.2.3.4: 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).

1.2.3.5: Substation nominal distribution voltage and/or transmission nominal voltage if applicable.

1.2.3.6: Nominal distribution circuit voltage and/or transmission circuit voltage at the proposed Point of Interconnection.

1.2.3.7: Approximate circuit distance between the proposed Point of Interconnection and the substation.

1.2.3.8: Relevant line section(s) actual or estimated peak load and minimum load data.

1.2.3.9: 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.

1.2.3.10: Number of phases available at the proposed Point of Interconnection. If a single phase, distance from the three-phase circuit.

1.2.3.11: Limiting conductor ratings from the proposed Point of Interconnection to the substation.

1.2.3.12: Whether the Point of Interconnection is located on a spot network, grid network, or radial supply.

1.2.3.13: 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.

1.2.4: The pre-application report need only include existing data. A pre- application report request does not obligate the Transmission Provider to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the Transmission Provider cannot complete all or some of a pre-application report due to lack of available data, the Transmission Provider shall provide the 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, the 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

The Interconnection Customer shall submit its Interconnection Request to the Transmission Provider, together with the processing fee or deposit specified in the Interconnection Request. The Interconnection Request shall be date- and time-stamped upon receipt. The original date- and time- stamp applied to the Interconnection Request at the time of its original submission shall be accepted as the qualifying date- and time-stamp for the purposes of any timetable in these procedures. The Interconnection Customer shall be notified of receipt by the Transmission Provider within three Business Days of receiving the Interconnection Request. The Transmission Provider shall notify the Interconnection Customer within ten 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, the 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, including if Transmission Provider identifies issues with technical data provided by an Interconnection Customer subject to study pursuant to Section 3. The 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, provided that Interconnection Customers subject to study under Section 3 shall provide such additional listed information by no later than the close of the Cluster Request Window. If the 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 the Transmission Provider.

1.4: Modification of the Interconnection Request

Any modification to machine data or equipment configuration or to the interconnection site of the Small Generating Facility not agreed to in writing by the Transmission Provider and the 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.

1.5: Site Control

Documentation of site control must be submitted with the Interconnection Request. Site control may be demonstrated through:

1.5.1: Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generating Facility;

1.5.2: An option to purchase or acquire a leasehold site for such purpose; or

1.5.3: An exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy a site for such purpose.

1.6: Queue Position

The Transmission Provider shall assign a Queue Position based upon the date- and time-stamp of the Interconnection Request. Except as otherwise noted in Section 3, the Queue Position of each Interconnection Request will be used to determine the cost responsibility for the Upgrades necessary to accommodate the interconnection. The Transmission Provider shall maintain a single queue per geographic region. Except as otherwise noted in Section 3, at the Transmission Provider's option, Interconnection Requests may be studied serially or in clusters pursuant to Section 7 of Attachment M.

1.7: Interconnection Requests Submitted Prior to the Effective Date of the SGIP

Nothing in this SGIP affects an Interconnection Customer's Queue Position assigned before the effective date of this SGIP. The Parties agree to complete work on any interconnection study agreement executed prior the effective date of this SGIP in accordance with the terms and conditions of that interconnection study agreement. Notwithstanding the proceeding two sentences, Interconnection Customer with a Transition Request, as defined in Attachment M-1 of Transmission Provider's OATT and subject to the eligibility requirements reflected therein, shall be included in the Transition Cluster Study if the Small Generating Facility (1) is larger than 2 MW but no larger than 20 MW or (2) is not certified.

SECTION 2: RESERVED

SECTION 3: STUDY PROCESS

3.1: Applicability

The Study Process shall be used by an Interconnection Customer proposing to interconnect its Small Generating Facility with the Transmission Provider's Transmission System if the Small Generating Facility (1) is larger than 2 MW but no larger than 20 MW or (2) is not certified. Such projects shall be studied by Transmission Provider in accordance with the Cluster Study process discussed in Section 6 of Transmission Provider's Attachment M, as further modified below for purposes of Small Generating Facilities.

3.2: Informational Studies for Small Generating Facilities

Small Generating Facilities Eligible for study under this Section 3 may submit a reasonable number of requests for Informational Interconnection Studies, provided that such requests shall be submitted pursuant to the procedures in Section 6 of Transmission Provider's Attachment M. Transmission Provider shall process such requests pursuant to Section 6 of Attachment M.

3.3: Scoping Meeting

3.3.1: A scoping meeting will be held in accordance with the procedures set forth in Section 3.3.4 and Section 7 of Attachment M.

3.3.2: Transmission Provider shall provide the Interconnection Customer a Cluster Study Agreement in the form of Appendix 3 to Attachment M, consistent with the procedures set forth in Section 7.1 of Attachment M.

3.4: Cluster Study

3.4.1: Except as otherwise noted in this Section 3, Transmission Provider shall study the Interconnection Request pursuant to Cluster Study procedures in Section 7 of Attachment M, including any Cluster Re-Studies as may be required under those procedures.

3.4.2: Interconnection Customer shall be required to pay its share of Cluster Study costs and Transmission Provider's Interconnection Facilities and Network Upgrade Costs as allocated by the Transmission Provider pursuant to Sections 4.2.2 and 4.2.3 of Attachment M, respectively. Any invoices issued for such Cluster Study costs shall credit to Interconnection Customer any deposits or application fees paid pursuant to Section 1.

3.4.3: If the Scoping Meeting shows no potential for transmission system or Distribution System adverse system impacts, the Transmission Provider shall send the Interconnection Customer either a facilities study agreement (Attachment 8), including an outline of the scope of the study and a non- binding good faith estimate of the cost to perform the study, or an executable interconnection agreement, as applicable.

3.4.4: Where transmission systems and Distribution Systems have separate owners, such as is the case with transmission-dependent utilities ("TDUs") – whether investor-owned or not – the Interconnection Customer may apply to the nearest Transmission Provider (Transmission Owner, Regional Transmission Operator, or Independent Transmission Provider) providing transmission service to the TDU to request project coordination. Affected Systems shall participate in the study and provide all information necessary to prepare the study.

3.5: Facilities Study

3.5.1: Simultaneously with the delivery of the final Cluster Study Report, or Cluster Re-Study Report if any, Transmission provider shall provide Interconnection Customer with a Facilities Study Agreement including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study.

3.5.2: In order to remain under consideration for interconnection, or, as appropriate, in the Transmission Provider's interconnection queue, the Interconnection Customer must return the executed facilities study agreement or a request for an extension of time within 30 Business Days.

3.5.3: The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the Cluster Study.

3.5.4: Design for any required Interconnection Facilities and/or Upgrades shall be performed under the facilities study agreement. The Transmission Provider may contract with consultants to perform activities required under the facilities study agreement. The

Interconnection Customer and the Transmission Provider may agree to allow the Interconnection Customer to separately arrange for the design of some of the Interconnection Facilities. In such cases, facilities design will be reviewed and/or modified prior to acceptance by the Transmission Provider, under the provisions of the facilities study agreement. If the Parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, the Transmission Provider shall make sufficient information available to the Interconnection Customer in accordance with confidentiality and critical infrastructure requirements to permit the Interconnection Customer to obtain an independent design and cost estimate for any necessary facilities.

3.5.5: A deposit of the good faith estimated costs for the facilities study may be required from the Interconnection Customer.

3.5.6: The scope of and cost responsibilities for the facilities study are described in the attached facilities study agreement.

3.5.7: Upon completion of the facilities study, and with the agreement of the Interconnection Customer to pay for Interconnection Facilities and Upgrades identified in the facilities study, the Transmission Provider shall provide the Interconnection Customer an executable interconnection agreement within five Business Days.

3.6: Restudies

Small Generating Facilities that are studied for Interconnection to the Transmission Provider's Transmission System pursuant to this Section 3 shall be subject to the restudy provisions in Section 7.5 and 8.5 of Attachment M.

SECTION 4: PROVISIONS THAT APPLY TO ALL INTERCONNECTION REQUESTS

4.1: Reasonable Efforts

The Transmission Provider shall make reasonable efforts to meet all time frames provided in these procedures unless the Transmission Provider and the Interconnection Customer agree to a different schedule. If the Transmission Provider cannot meet a deadline provided herein, it shall notify the 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: The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.

4.2.2: In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute. Such Notice of Dispute shall not be deemed a waiver of the requirements of, nor construed as compliance with, California Government Code Section 910 et seq., or any successor statute.

4.2.3: 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.

4.2.4: 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 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"); provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 4.2, the terms of this Article 4.2 shall prevail.

4.2.5: Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this interconnection process and shall have no power to modify or change any provision of this interconnection process 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.

4.2.6: 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.

4.2.7: If the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of these procedures; provided that, any dispute arising out of or relating to this interconnection process shall be brought in a state or federal court in the County of Los Angeles in the State of California. Each Party irrevocably agrees to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens.*

4.3: Interconnection Metering

Any metering necessitated by the use of the Small Generating Facility shall be installed at the Interconnection Customer's expense in accordance with North American Electric Reliability Corporation, state, or local regulatory requirements or the Transmission Provider's specifications.

4.4: Commissioning

Commissioning tests of the Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. The Transmission Provider must be given at least five 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.

4.5: Confidentiality

4.5.1: Confidential information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of these procedures all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed confidential information regardless of whether it is clearly marked or otherwise designated as such.

4.5.2: Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce these procedures. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under these procedures, or to fulfill legal or regulatory requirements.

4.5.2.1: Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

4.5.2.2: Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages and may seek other remedies available at law or in equity for breach of this provision.

4.5.3: Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to these procedures, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC. The Party shall notify the other Party when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

4.5.4 - CPRA, Brown Act: In addition to the foregoing provisions under this Section 4.5, Interconnection Customer acknowledges that Transmission Provider is subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§6250 et seq. ("CPRA") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 et. Seq. ("Brown Act"). Requests for information made directly to Transmission Provider pursuant to CPRA, and for information sought under the Brown Act, the Parties shall adhere to the provisions Section 13.1 of Attachment M to maintain confidentiality.

4.6: Comparability

The Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this document. The 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 the Transmission Provider, its subsidiaries or affiliates, or others.

4.7: Record Retention

The 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 the Transmission Provider, the Interconnection Customer shall have 30 Business Days or another mutually agreeable timeframe to sign and return the interconnection agreement or initiate Dispute Resolution pursuant to Section 13.5 of Attachment M. If the Interconnection Customer does not sign the interconnection agreement or initiate Dispute Resolution within 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.

4.9: Coordination with Affected Systems

The Transmission Provider shall coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System operators and, if possible, include those results (if available) in its applicable interconnection study within the time frame specified in these procedures. The Transmission Provider will include such Affected System operators in all meetings held with the Interconnection Customer as required by these procedures. The Interconnection Customer will cooperate with the Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A Transmission Provider which may be an Affected System shall cooperate with the Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

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 the 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 the Transmission Provider's electric system. However, if the maximum capacity that the Small Generating Facility is capable of injecting into the 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 the Interconnection Customer must obtain the Transmission Provider's agreement, with such agreement not to be unreasonably withheld, that the way the Interconnection Customer proposes to implement such a limit will not adversely

affect the safety and reliability of the Transmission Provider's system. If the 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 the Transmission Provider's electric system without such limitations. Furthermore, nothing in this section shall prevent a Transmission Provider from considering an output higher than the limited output, if appropriate, when evaluating system protection impacts.

ATTACHMENT 1: GLOSSARY OF TERMS

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

Business Day – Monday through Friday, excluding Federal Holidays.

Cluster – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Cluster Request Window – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Cluster Re-Study (ies) – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Cluster Re-Study Report – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Cluster Study – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Cluster Study Agreement – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Cluster Study Report – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

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

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

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and 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.

Informational Interconnection Study(ies) – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

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

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

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

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 under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service – An Interconnection Service that allows the Interconnection Customer to integrate its Generating Facility with the Transmission Provider's System in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers. Network Resource Interconnection Service in and of itself does not convey transmission service.

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

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

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

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 the Transmission Provider.

Small Generating Facility – The Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request but shall not include the Interconnection Customer's Interconnection Facilities.

Study Process – The procedure for evaluating an Interconnection Request that includes the section 3 scoping meeting, Cluster Study, and facilities study.

Transition Cluster Study – shall have the meaning set out in Attachment M-1 of Transmission Provider's Tariff.

Transition Request – shall have the meaning set out in Attachment M-1 of Transmission Provider's Tariff.

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

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

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

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

ATTACHMENT 2: SMALL GENERATOR INTERCONNECTION REQUEST

(Application Form)

Transmission Provider: _____
Designated Contact Person: _____
Address: _____
Telephone Number: _____
Fax: _____
E-Mail Address: _____

An Interconnection Request 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.

Preamble and Instructions

An Interconnection Customer who requests interconnection must submit this Interconnection Request by hand delivery, mail, e-mail, or fax to the Transmission Provider.

Processing Fee or Deposit

If the Interconnection Request is submitted under the Study Process, the Interconnection Customer shall submit to the Transmission Provider a deposit not to exceed $1,000 towards the cost of the Cluster Study.

Interconnection Customer Information

Legal Name of the Interconnection Customer (or, if an individual, individual's name)

Name: _____

Contact Person: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Facility Location (if different from above): _____

_____

Telephone (Day): _____ Telephone (Evening): _____

Fax: E-Mail Address:

Alternative Contact Information (if different from the Interconnection Customer)

Contact Name:

Title:

Address:

Telephone (Day): Telephone (Evening):

Fax: E-Mail Address:

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?

Net Metering? Yes No

To Supply Power to the Interconnection Customer? Yes No

To Supply Power to Others? Yes No

For installations at locations with existing electric service to which the proposed Small Generating Facility will interconnect, provide:

(Local Electric Service Provider*) (Existing Account Number*)

[*To be provided by the Interconnection Customer if the local electric service provider is different from the Transmission Provider]

Contact Name:

Title:

Address:

Telephone (Day): Telephone (Evening):

Fax: E-Mail Address:

Requested Point of Interconnection:

Interconnection Customer's Requested In-Service Date:

Small Generating Facility Information

Data apply only to the Small Generating Facility, not the Interconnection Facilities.

Energy Source: Solar Wind Hydro Hydro Type (e.g. Run-of-River):
Diesel Natural Gas Fuel Oil Other (state type)

Prime Mover: Fuel Cell Recip Engine Gas Turb Steam Turb
PV Other
Microturbine

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):
I22t or K (Heating Time Constant):
Rotor Resistance, Rr:
Stator Resistance, Rs:
Stator Reactance, Xs:
Rotor Reactance, Xr:
Magnetizing Reactance, Xm:
Short Circuit Reactance, Xd":
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 the 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 the 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):
If Microprocessor-Controlled:
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 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 the 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.

For Interconnection Customer: _____ Date: _____

ATTACHMENT 3: CERTIFICATION CODES AND STANDARDS

IEEE1547 Standard for Interconnecting Distributed Resources with Electric Power Systems (including use of IEEE 1547.1 testing protocols to establish conformity)

UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems

IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV) Systems

NFPA 70 (2002), National Electrical Code

IEEE Std C37.90.1-1989 (R1994), IEEE Standard Surge Withstand Capability (SWC) Tests for Protective Relays and Relay Systems

IEEE Std C37.90.2 (1995), IEEE Standard Withstand Capability of Relay Systems to Radiated Electromagnetic Interference from Transceivers

IEEE Std C37.108-1989 (R2002), IEEE Guide for the Protection of Network Transformers IEEE Std C57.12.44-2000, IEEE Standard Requirements for Secondary Network Protectors

IEEE Std C62.41.2-2002, IEEE Recommended Practice on Characterization of Surges in Low Voltage (1000V and Less) AC Power Circuits

IEEE Std C62.45-1992 (R2002), IEEE Recommended Practice on Surge Testing for Equipment Connected to Low-Voltage (1000V and Less) AC Power Circuits

ANSI C84.1-1995 Electric Power Systems and Equipment – Voltage Ratings (60 Hertz) IEEE Std 100-2000, IEEE Standard Dictionary of Electrical and Electronic Terms NEMA MG 1-1998, Motors and Small Resources, Revision 3

IEEE Std 519-1992, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems

NEMA MG 1-2003 (Rev 2004), Motors and Generators, Revision 1

ATTACHMENT 4: CERTIFICATION OF SMALL GENERATOR EQUIPMENT PACKAGES

1.0: 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 below 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.

2.0: The 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.

3.0: 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.

4.0: 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.

5.0: 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.

6.0: An equipment package does not include equipment provided by the utility.

7.0: 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: RESERVED

ATTACHMENT 6: RESERVED

ATTACHMENT 7: RESERVED

ATTACHMENT 8: FACILITIES STUDY AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into this day of 20 by and between , a limited liability company organized and existing under the laws of the State of , ("Interconnection Customer,") 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, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

Recitals

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on ; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System;

WHEREAS, the Transmission Provider has completed a Cluster Study and provided the results of said study to the Interconnection Customer; and

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to implement the conclusions of the system impact study in accordance with Good Utility Practice to connect the Small Generating Facility with the Transmission Provider's Transmission System physically and electrically.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0

When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.

2.0

The Interconnection Customer elects, and the Transmission Provider shall cause a facilities study consistent with the standard Small Generator Interconnection Procedures to be performed in accordance with the Open Access Transmission Tariff.

3.0

The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement and Section 3 of the SGIP.

4.0

The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the Cluster study(s). The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of the Transmission Provider's Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.

5.0

The Transmission Provider may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities.

6.0

A deposit of the good faith estimated facilities study costs may be required from the Interconnection Customer.

7.0

In cases where Upgrades are required, the facilities study must be completed within

45 Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary, and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within 30 Business Days.

8.0

Once the facilities study is completed, a "draft" facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study must be completed, and the "draft" facilities study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a facilities study.

9.0

Interconnection Customer may, within 30 Calendar Days after receipt of the draft report, provide written comments to Transmission Provider, which Transmission Provider shall include in the final report. Transmission Provider shall issue the final Interconnection Facilities Study report within 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-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 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 4.5 of the standard Small Generator Interconnection Procedures.

10.0

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.

11.0

Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.

12.0

The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.

13.0: 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 California, 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.

14.0: Amendment

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

15.0: 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.

16.0: Waiver

16.1: 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.

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

17.0: Multiple Counterparts

This Agreement may be executed in one or more counterparts, and by the parties in separate

counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

18.0: 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.

19.0: 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.

20: 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.

20.1: 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 the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

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

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.

[Insert name of Transmission Provider]	[Insert name of Interconnection Customer]
_____	_____
Signed	Signed
Name (Printed):	Name (Printed):
_____	_____
Title	Title

ATTACHMENT A: TO FACILITIES STUDY AGREEMENT: DATA TO BE PROVIDED BY THE INTERCONNECTION CUSTOMER WITH THE 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, etc.

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 location of auxiliary power. (Minimum load on CT/PT) Amps

One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections: _____

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 the one-line diagram).

What type of control system or PLC will be located at the Small Generating Facility?

_____

_____

What protocol does the control system or PLC use?

_____

_____

Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines.

Physical dimensions of the proposed interconnection station:

_____

Bus length from generation to interconnection station:

_____

Line length from interconnection station to Transmission Provider's Transmission System.

_____

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 Small Generating Facility located in Transmission Provider's service area?
Yes _____ No _____ If No, please provide name of local provider:

_____

Please provide the following proposed schedule dates:

Begin Construction Date:

Generator step-up transformers Date: receive back feed power

Generation Testing Date:

Commercial Operation Date:

SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA)

(For Generating Facilities No Larger Than 20 MW)

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SMALL GENERATOR INTERCONNECTION AGREEMENT

This Interconnection Agreement ("Agreement") is made and entered into this day of , 20 , by the Department of Water and Power of the City of Los Angeles, a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California ("Transmission Provider"), and ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

Transmission Provider Information

Transmission Provider:
Attention:
Address:
City: State: Zip:
Phone: Fax:

Interconnection Customer Information

Interconnection Customer:
Attention:
Address:
City: State: Zip:
Phone: Fax:

Interconnection Customer Application No:

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

Article 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).

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

1.3 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 with the applicable Transmission Provider.

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

1.5 Responsibilities of the Parties

1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.

1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.

1.5.3 The Transmission Provider shall construct, operate, and maintain its Transmission System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.

1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Transmission Provider 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. The Transmission Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Transmission Provider's Transmission System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance, and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

1.5.6 The Transmission Provider shall coordinate with all Affected Systems to support the interconnection.

1.5.7 The Interconnection Customer shall ensure “frequency ride through” capability and “voltage ride through” capability of its Small Generating Facility. The

Interconnection Customer shall enable these capabilities such that its Small Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the Transmission Provider 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 the Transmission Provider's automatic load-shed program. The Transmission Provider 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 the Transmission Provider 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 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 the Transmission Provider 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 the Transmission Provider 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.

1.6 Parallel Operation Obligations

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

1.7 Metering

The Interconnection Customer shall be responsible for the Transmission Provider's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and

data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power and Primary Frequency Response

1.8.1 Power Factor Design Criteria

1.8.1.1 Synchronous Generation. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all similarly situated synchronous generators in the control area on a comparable basis.

1.8.1.2 Non-Synchronous Generation. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all similarly situated non-synchronous generators in the control 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. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of the Final Rule establishing this requirement (Order No. 827).

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

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

the Interconnection Customer from the time service commenced.

1.8.4 Primary Frequency Response. Interconnection 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. Interconnection 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 NERC 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 an approved NERC 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 NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Small Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Small Generating Facility with the Transmission System, Interconnection 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, Interconnection Customer shall operate the Small Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider 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 NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Small Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider 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. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection 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. Interconnection 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. Interconnection 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. A Commission-approved 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. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Attachment 5 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 5 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 Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Attachment 5 must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

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

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

2.1 Equipment Testing and Inspection

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

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

2.2 Authorization Required Prior to Parallel Operation

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

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

2.3 Right of Access

2.3.1 Upon reasonable notice, the Transmission Provider may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the

interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Transmission Provider at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.

2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Transmission Provider shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

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

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

3.1 Effective Date
This Agreement shall become effective upon execution by the Parties.

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 and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article of this Agreement; or (ii) until the Generating Facility permanently ceases Commercial Operation, subject to Article 3.3.

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

3.3.2 Either Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Transmission Provider's Transmission System. 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 article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

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

3.4.1 Emergency Conditions -- "Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, the Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the Transmission Provider may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Transmission Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify the Transmission Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Transmission Provider's Transmission System or 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

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

3.4.3 Forced Outages

During any forced outage, the Transmission Provider may suspend

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

3.4.4 Adverse Operating Effects

The Transmission Provider shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the Transmission Provider's Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Transmission Provider may disconnect the Small Generating Facility. The Transmission Provider shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

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

3.4.6 Reconnection

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

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

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

the Interconnection Customer, such other entities, and the Transmission Provider.

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

4.2 Distribution Upgrades

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

Article 5. Cost Responsibility for Network Upgrades

5.1 Applicability

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

5.2 Network Upgrades

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

5.3 Special Provisions for Affected Systems

Unless the Transmission Provider provides, under this Agreement, for the repayment of amounts advanced to any applicable Affected System operators for Network Upgrades, the Interconnection Customer and Affected System operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to Affected System operator as well as the repayment by Affected System operator.

5.4 Rights Under Other Agreements

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

or transmission credits for transmission service that is not associated with the Small Generating Facility.

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

6.1 Billing and Payment Procedures and Final Accounting

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

6.1.2 Within three months of completing the construction and installation of the Transmission Provider's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Transmission Provider shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Transmission Provider for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Transmission Provider shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Transmission Provider within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Transmission Provider shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

6.2 Milestones

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

6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Transmission Provider's

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

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

6.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Transmission Provider and must specify a reasonable expiration date.

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

7.1 Assignment

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

7.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the Interconnection Customer promptly notifies the Transmission Provider of any such assignment.

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

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

this Article on behalf of LADWP.

7.2 Limitation of Liability

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

7.3 Indemnity

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

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

7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

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

7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

7.4 Consequential Damages

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, business interruption, 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.

7.5 Force Majeure

7.5.1 A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence (which does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to the additional requirement of a Force Majeure Written Notice set forth in Article 7.5.2.

7.5.2 A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall provide the Force Majeure Immediate Notice pursuant to Article 7.5.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set forth above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure event or the result of an

act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

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

Article 8. Insurance

8.1 Additional Insured Status Required.
Interconnection Customer shall procure at its own expense, and keep in effect at all times during the term of this Agreement, the types and amounts of insurance specified on the attached Contract Insurance Requirements page. The specified insurance shall also, either by provisions in the policies, by the City of Los Angeles' (the "City") own endorsement form or by other endorsement attached to such policies, be in a form acceptable to the Risk Manager of Transmission Provider (hereinafter referred to as "Risk Manager") and the Office of City Attorney, include and insure City, Transmission Provider, its Board of Commissioners (hereinafter referred to as "Board"), and all of its officers, employees and agents, their successors and assigns, as Additional Insureds (except for Workers' Compensation), against the area of risk described herein as respects Interconnection Customer's acts or omissions in its performance of the agreement, hereunder or other related functions performed by or on behalf of Interconnection Customer. Acceptance of the submitted evidence of insurance shall not be unreasonably withheld. Such insurance shall not limit or qualify the liabilities and obligations of the Interconnection Customer assumed under the contract.

8.2 Severability of Interests and Cross Liability Required.
Each specified insurance policy (other than Workers' Compensation and Employers' Liability and Property coverage) shall contain a Severability of Interest and Cross Liability clause which states in effect, "It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability," and a Contractual Liability Endorsement which shall state in effect, "Such insurance as is afforded by this policy shall also apply to liability assumed by the insured under this

Agreement with the City of Los Angeles."

8.3 Primary and Non-Contributory Insurance Required.
All such insurance shall be Primary and Noncontributing with any other insurance held by Transmission Provider where liability arises out of or results from the acts or omissions of Interconnection Customer, its agents, employees, officers, assigns, or any person or entity acting for or on behalf of Interconnection Customer. Any insurance carried by Transmission Provider which may be applicable shall be deemed to be excess insurance and the Interconnection Customer's insurance is primary for all purposes despite any conflicting provision in the Interconnection Customer's policies to the contrary.

8.4 Deductibles Subject to Transmission Provider's Discretion.
Deductibles and/or self-insured retentions shall be at the sole discretion of the Risk Manager. The Transmission Provider shall have no liability for any premiums charged for such coverage(s). The inclusion of the Transmission Provider, its Board, and all of its officers, employees and agents, and their agents and assigns, as additional insureds, is not intended to, and shall not, make them, or any of them a partner or joint venturer with Interconnection Customer in its operations.

8.5 Proof of Insurance for Renewal or Extension Required.
At least thirty (30) days after the expiration date of any of the policies required on the attached Contract Insurance Requirement page, documentation showing that the insurance coverage has been renewed or extended shall be filed with the Transmission Provider. If such coverage is canceled or reduced in coverage, Interconnection Customer shall, within fifteen (15) days of such cancellation or reduction of coverage, file with Transmission Provider evidence that the required insurance has been reinstated or provided through another insurance company or companies.

8.6 Submission of Acceptable Proof of Insurance and Notice of Cancellation.
Interconnection Customer shall provide proof to the Risk Manager of all specified insurance and related requirements either by production of the actual insurance policy(ies), by use of Transmission Provider's own endorsement form(s), or by other written evidence of insurance acceptable to the Risk Manager, but always in a form acceptable to the Risk Manager and the Office of the City Attorney. Acceptance of the submitted evidence of insurance shall not be unreasonably withheld. The documents evidencing all specified coverage shall be filed with Transmission Provider prior to Interconnection Customer beginning operations hereunder. Said proof shall contain at a minimum, the applicable policy number, the inclusive dates of policy coverage, the date the protection begins for Transmission Provider, and the insurance carrier's name. It shall bear an original signature of an authorized representative of said carrier, and shall provide that such insurance shall not be subject to cancellation, material reduction in coverage or non-renewal except after written notice by certified mail, return receipt requested, to the City Attorney of the City of Los Angeles at least thirty (30) calendar days prior to the effective date thereof. Seller may provide the required notice consistent with the time frame

specified herein. The notification shall be sent by registered mail to: Risk Management Section, L.A. Water and Power, Post Office Box 51111, JFB Room 465, Los Angeles, California 90051-0100.

8.7 Claims-Made Insurance Conditions.

Should any portion of the required insurance be on a "Claims Made" policy, the Interconnection Customer shall, at the policy expiration date following completion of work, provide evidence that the "Claims Made" policy has been renewed or replaced with the same limits, terms and conditions of the expiring policy, or that an extended three (3) years discovery period has been purchased on the expiring policy at least for the contract under which the work was performed.

8.8 Failure to Maintain and Provide as Cause for Termination.

Failure to maintain and provide acceptable evidence of the required insurance for the required period of coverage shall constitute a breach of contract, upon which Transmission Provider may immediately terminate or suspend the agreement.

8.9 Periodic Right to Review/Update Insurance Requirements.

The Transmission Provider and Interconnection Customer agree that the insurance policy limits specified on the attached Contract Insurance Requirements page may be reviewed for adequacy annually throughout the term of this Agreement by the Risk Manager/City Attorney, who may thereafter require Interconnection Customer to adjust the amounts and types of insurance coverage however the Risk Manager/City Attorney deems to be adequate and necessary. Transmission Provider reserves the right to have submitted to it, upon request, all pertinent information about the agent and carrier providing such insurance, including applicable license and ratings.

8.10 Specific Insurance Requirements.

See Attachment "Contract Insurance Requirements."

8.11 Limitation of Liability and Release.

TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

Article 9. Confidentiality

9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.

9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages and may seek other remedies available at law or in equity for breach of this provision.

9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other

Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

9.4 CPRA, Brown Act

In addition to the foregoing provisions under this Article 9.4, Interconnection Customer acknowledges that Transmission Provider is subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§ 6250 et seq. ("CPRA") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 et. seq. ("Brown Act"). Requests for information made directly to Transmission Provider pursuant to CPRA will be managed in a similar manner identified within Article 9.3. For purposes of the Brown Act, the Parties shall adhere to the provisions of Article 9.1 to maintain confidentiality.

Article 10. Disputes

10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.

10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute. Such Notice of Dispute shall not be deemed a waiver of the requirements of, nor construed as compliance with, California Government Code Section 910 et seq., or any successor statute.

10.3 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

10.4 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 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"); provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 10, the terms of this Article 10 shall prevail.

10.5 Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this SGIA 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.

10.6 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.

10.7 If the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement; provided that, any dispute arising out of or relating to this SGIA shall be brought in a state or federal court in the County of Los Angeles in the State of California. Each Party irrevocably agrees to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens*.

Article 11. Taxes

11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with Internal Revenue Service requirements.

11.2 Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Transmission Provider's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

12.1 Governing Law, Regulatory Authority, and Rules

The validity, interpretation, and enforcement of this Agreement and each of its provisions shall be governed by and enforced in accordance with the laws of the State of California, as if executed and to be performed wholly within the State of California. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment

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

12.3 No Third-Party Beneficiaries

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

12.4 Waiver

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

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

12.5 Entire Agreement

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

12.6 Multiple Counterparts

This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

12.7 No Partnership

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

behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability

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

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects all Transmission Providers, market participants, and Interconnection Customers interconnected to electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

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

12.11 Subcontractors

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

12.11.1 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 the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its

subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

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

12.12 Reserved.

Article 13. Notices

13.1 General

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

If to the Interconnection Customer:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

If to the Transmission Provider:

Transmission Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

13.2 Billing and Payment

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

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____

Transmission Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____

13.3 Alternative Forms of Notice

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

If to the Interconnection Customer:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

If to the Transmission Provider:

Transmission Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

13.4 Designated Operating Representative

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

Interconnection Customer's Operating Representative:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

Transmission Provider's Operating Representative:

Transmission Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

13.5 Changes to the Notice Information

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

Article 14. Signatures

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

For the Transmission Provider

Name: _____

Title: _____

Date: _____

For the Interconnection Customer

Name: _____

Title: _____

Date: _____

Attachment 1

Glossary of Terms

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

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

Business Day – Monday through Friday, excluding Federal Holidays.

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

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

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

Force Majeure - Any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, or 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.

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

Governmental Authority – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer, the Interconnection Provider, or any Affiliate thereof. In this context Interconnection Provider does not include the City of Los Angeles or the Board of Water and Power Commissioners. Interconnection Provider only includes the

Department of Water and Power.

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

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

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

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

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

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

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

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

Small Generating Facility – The Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request but shall not include the Interconnection Customer's Interconnection Facilities.

Tariff – The Transmission Provider or Affected System's Tariff through which open access

transmission service and Interconnection Service are offered, as amended or supplemented from time to time, or any successor tariff.

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

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

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

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

Attachment 2

Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment

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

Attachment 3

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

Attachment 4

Milestones

In-Service Date: _____

Critical milestones and responsibility as agreed to by the Parties:

	Milestone/Date	Responsible Party
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

Agreed to by:

For the Transmission Provider _____ Date _____

For the Transmission Owner (If Applicable) _____ Date _____

For the Interconnection Customer _____ Date _____

Attachment 5

Additional Operating Requirements for the Transmission Provider's Transmission System and Affected Systems Needed to Support the Interconnection Customer's Needs

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

Attachment 6

Transmission Provider's Description of its Upgrades and Best Estimate of Upgrade Costs

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

ATTACHMENT O

Energy Imbalance Market

1. General Provision - Purpose and Effective Date of Attachment O

Attachment O provides for Transmission Provider's participation as the LADWP EIM Entity in the EIM administered by the MO. This Attachment O should be read in conjunction with the LADWP EIM BP.

Attachment O shall be in effect upon its acceptance by the Transmission Provider's Board of Commissioners and Los Angeles City Council, with the exceptions provided below, for as long as Transmission Provider implements the EIM and until all final settlements are finalized resulting from such implementation. Sections 4.1.5, 4.1.6, 8 and 10 of this Attachment O take effect no earlier than April 1, 2021, or the implementation date of Transmission Provider's participation in the EIM, whichever is later. All other sections of this Attachment O take effect no earlier than January 1, 2021 or seven (7) days prior to the start of parallel operations.

This Attachment O shall apply to: (1) all Transmission Customers and Interconnection Customers, as applicable, with new and existing service agreements under Parts II and III and Attachments M and O of this Tariff, (2) all transmission customers with legacy transmission agreements that pre-existed this Tariff and that expressly incorporate by reference the applicability of LADWP's Tariff and/or this Attachment O in particular, and (3) Transmission Provider's use of the transmission system for service to Native Load Customers. To the extent an Interconnection Customer controls the output of a generator located in LADWP's BAA, the LADWP EIM Entity may require the Interconnection Customer to comply with a requirement in this Attachment O that on its face applies to a Transmission Customer to the extent that the LADWP EIM Entity makes a determination, in its sole discretion, that the Interconnection Customer is the more appropriate party to satisfy the requirements of Attachment O than any Transmission Customer.

This Attachment O shall work in concert with the provisions of the MO Tariff implementing the EIM to support operation of the EIM. To the extent that this Attachment O is inconsistent with a provision in the remainder of this Tariff with regard to the LADWP EIM Entity's administration of the EIM, this Attachment O shall prevail.

This Attachment O governs the relationship between the LADWP EIM Entity and all Transmission Customers and Interconnection Customers subject to this Tariff. This

Attachment O does not establish privity between Transmission Customers and the MO or make a Transmission Customer subject to the MO Tariff. Any Transmission Customer duties and obligations related to the EIM are those identified in this Tariff, unless the Transmission Customer voluntarily elects to participate directly in the EIM with LADWP EIM Participating Resources, in which case the MO Tariff provisions for EIM Participating Resources and EIM Participating Resource Scheduling Coordinators shall also apply.

2. Election of Transmission Customers to become LADWP EIM Participating Resources

The decision of a Transmission Customer to participate in the EIM with resources as LADWP EIM Participating Resources is voluntary. A Transmission Customer that chooses to have a resource become an LADWP EIM Participating Resource must:

(i) Meet the requirements specified in Section 3 of this Attachment O and the LADWP EIM BP;

(ii) Become or retain a MO-certified EIM Participating Resource Scheduling Coordinator; and

(iii) Follow the application and certification process specified in this Attachment O and the LADWP EIM BP posted on the Transmission Provider's OASIS.

Transmission Customers which own or control multiple resources may elect to have any or all of their resources be LADWP EIM Participating Resources, in which case any resources that are not elected by the Transmission Customer to be LADWP EIM Participating Resources shall be treated as Non-Participating Resources for purposes of this Attachment O.

3. Eligibility to be an LADWP EIM Participating Resource

3.1 Internal Resources - Transmission Rights

Resources owned or controlled by Transmission Customers and located within the metered boundaries of LADWP's BAA are eligible to become LADWP EIM Participating Resources. The Transmission Customer that owns or controls the resource must have associated transmission rights based on one of the following:

(i) The resource is a designated Network Resource of a Network Customer and the Network Customer elects to participate in the EIM through its Network Integration Transmission Service Agreement; or

(ii) The resource is associated with either (i) a Service Agreement for Firm Point-to-Point Transmission Service or (ii) a Service Agreement for Non-Firm Point-to-Point Transmission Service, and such Transmission Customer elects to participate in the EIM.

3.2 Resources External to LADWP EIM Entity BAA

3.2.1 Use of Pseudo-Ties

A resource owned or controlled by a Transmission Customer that is not physically located inside the metered boundaries of LADWP's BAA may participate in the EIM as an LADWP EIM Participating Resource if the Transmission Customer: (1) implements a Pseudo-Tie into LADWP's BAA, consistent with LADWP's business practice posted on Transmission Provider's OASIS; (2) has arranged firm transmission over any third-party transmission systems to an LADWP EIM Entity BAA intertie boundary equal to the amount of energy that will be Dynamically Transferred through a Pseudo- Tie into the LADWP EIM Entity BAA, consistent with LADWP's business practice posted on Transmission Provider's OASIS; and (3) has secured transmission service consistent with Section 3.1 of this Attachment O.

3.2.2 Pseudo-Tie Costs

Pseudo-Tie implementation costs shall be allocated in a manner consistent with the treatment of Network Upgrades and Direct Assignment Facilities to facilitate a Pseudo-Tie into LADWP EIM Entity BAA.

3.3 Application and Certification of LADWP EIM Participating Resources

This section should be read in conjunction with the LADWP EIM BP.

3.3.1 Application

To register a resource to become an LADWP EIM Participating Resource, an applicant must submit a completed application and shall provide a deposit of $1,500 for the LADWP EIM Entity to process the application. Upon completion of processing the completed application, the LADWP EIM Entity shall charge and the applicant shall pay the actual costs of the application processing. Any difference between the deposit and the actual costs of the application processing shall be paid by or refunded (without interest) to the LADWP EIM Participating Resource applicant, as appropriate. At the time of application, any LADWP EIM Participating Resource applicant must elect to perform the

duties of either a CAISO Metered Entity or Scheduling Coordinator Metered Entity, consistent with the MO's requirements, as applicable.

3.3.2 **Processing the Application**

The LADWP EIM Entity shall make a determination as to whether to accept or reject the application within 45 days of receipt of the application. At minimum, the LADWP EIM Entity shall validate through the application that the LADWP EIM Participating Resource applicant has satisfied Sections 3.1 and 3.2 of this Attachment O, as applicable, and met minimum telemetry and metering requirements, as set forth in the MO's requirements and the LADWP EIM BP. Within 45 days of receipt of the application and in accordance with the process outlined in the LADWP EIM BP, the LADWP EIM Entity may request additional information and will attempt to resolve any minor deficiencies in the application with the Transmission Customer. The LADWP EIM Entity may extend the 45-day period to accommodate the resolution of minor deficiencies in the application in order to make a determination on an application. If the LADWP EIM Entity approves the application, it shall send notification of approval to both the LADWP EIM Participating Resource applicant and the MO. If the LADWP EIM Entity rejects the application, the LADWP EIM Entity shall send notification stating the grounds for rejection to the LADWP EIM Participating Resource applicant. Upon request, the LADWP EIM Entity may provide guidance to the applicant as to how the LADWP EIM Participating Resource applicant may cure the grounds for the rejection. In the event that the LADWP EIM Entity has granted an extension of the 45-day period but the applicant has neither provided the additional requested information nor otherwise resolved identified deficiencies within six (6) months of the LADWP EIM Entity's initial receipt of the application, the application shall be deemed rejected by the LADWP EIM Entity. If an application is rejected, the LADWP EIM Participating Resource applicant may resubmit its application at any time (including submission of a new processing fee deposit).

3.3.3 **Certification Notice**

Upon approval of an application and in accordance with the process specified in the LADWP EIM BP, certification by the LADWP EIM Entity of the LADWP EIM Participating Resource to participate in the EIM shall occur once the Transmission Customer has demonstrated and the MO has confirmed that the Transmission Customer has:

(i) Met the MO's criteria to become an EIM Participating Resource and executed the MO's pro forma EIM Participating Resource Agreement;

(ii) Qualified to become or retained the services of a MO-certified EIM Participating Resource Scheduling Coordinator;

(iii) Met the necessary metering requirements of this Tariff and Section 29.10 of the MO Tariff and the EIM Participating Resource Scheduling Coordinator has executed the MO's pro forma Meter Service Agreement for Scheduling Coordinators; and

(iv) Met communication and data requirements of this Tariff and Section 29.6 of the MO Tariff; and has the ability to receive and implement Dispatch Instructions every five minutes from the MO.

Upon receiving notice from the MO of the completion of the enumerated requirements by the Transmission Customer, the LADWP EIM Entity shall provide notice to both the Transmission Customer with an LADWP EIM Participating Resource and the MO that the LADWP EIM Participating Resource is certified and therefore eligible to participate in the EIM.

3.3.4 Status of Resource Pending Certification

If the Transmission Customer: (i) has submitted an application for a resource to be an LADWP EIM Participating Resource but the application has not been approved; or (ii) has not yet been certified by the LADWP EIM Entity consistent with Section 3.3.3 of this Attachment O, the resource shall be deemed to be a Non-Participating Resource.

3.3.5 Notice and Obligation to Report a Change in Information

Each Transmission Customer with an LADWP EIM Participating Resource has an ongoing obligation to inform the LADWP EIM Entity of any changes to any of the information submitted as part of the application process under this Attachment O. This information includes, but is not limited to:

(i) Any change in the LADWP EIM Participating Resource Scheduling Coordinator representing the resource;

(ii) Any change in the ownership or control of the resource;

(iii) Any change to the physical characteristics of the resource required to be reported to the MO in accordance with Section 29.4(c)(4)(C) of the MO Tariff; or

(iv) If either the MO terminates the participation of the LADWP EIM Participating Resource in the EIM or the Transmission Customer has terminated the LADWP EIM Participating Resource's participation in the EIM; in either case, that resource shall be considered to be a Non-Participating Resource for purposes of this Tariff, including Attachment O.

4. Roles and Responsibilities

4.1 Transmission Provider as the LADWP EIM Entity and the LADWP EIM Entity Scheduling Coordinator

4.1.1 Responsibilities

4.1.1.1 Identification of EIM Entity Scheduling Coordinator

The LADWP EIM Entity can serve as the LADWP EIM Entity Scheduling Coordinator or retain a third party to perform such role. If the LADWP EIM Entity is not the LADWP EIM Entity Scheduling Coordinator, the LADWP EIM Entity shall communicate to the LADWP EIM Entity Scheduling Coordinator the information required by the LADWP EIM Entity Scheduling Coordinator to fulfill its responsibilities in the EIM.

The LADWP EIM Entity Scheduling Coordinator shall coordinate and facilitate the EIM in accordance with the requirements of the MO Tariff. The LADWP EIM Entity Scheduling Coordinator must meet the certification requirements of the MO and enter into any necessary MO agreements.

4.1.1.2 Processing LADWP EIM Participating Resource Applications

The LADWP EIM Entity shall be responsible for processing applications of Transmission Customers seeking authorization to participate in the EIM with resources as LADWP EIM Participating Resources in accordance with Section 3.3 of this Attachment O.

4.1.1.3 Determination of EIM Implementation Decisions for LADWP's BAA

The LADWP EIM Entity is solely responsible for making any decisions with respect to EIM participation that the MO requires of EIM Entities. The LADWP EIM Entity has made the following determinations:

(i) Eligibility requirements: Eligibility requirements are set forth in Section 3 of Attachment O.

(ii) Load Aggregation Points: There shall be one LAP for LADWP's BAA.

(iii) MO load forecast: The LADWP EIM Entity shall utilize the MO load forecast but shall retain the right to provide the load forecast to the MO in accordance with the MO Tariff.

(iv) MO metering agreements: The LADWP EIM Entity and all Transmission Customers with LADWP EIM Participating Resources shall have the option to elect to be Scheduling Coordinator Metered Entities or CAISO Metered Entities in accordance with Section 29.10 of the MO Tariff. The LADWP EIM Entity shall be a Scheduling Coordinator Metered Entity on behalf of all Transmission Customers with Non-Participating Resources in accordance with Section 29.10 of the MO Tariff.

4.1.1.4 LADWP EIM Business Practice

The LADWP EIM Entity shall establish and revise, as necessary, procedures to facilitate implementation and operation of the EIM through the LADWP EIM BP that shall be posted on the Transmission Provider's OASIS.

4.1.1.5 Determination to Take Corrective Actions or Permanently Terminate Participation in the EIM

The LADWP EIM Entity may take corrective actions in LADWP's BAA in accordance with the requirements of Section 10.3 of Attachment O.

In addition, the LADWP EIM Entity, in its sole and absolute discretion, may permanently terminate its participation in the EIM by providing notice of termination to the MO pursuant to applicable agreements.

4.1.2 Responsibilities of the LADWP EIM Entity to Provide Required Information

4.1.2.1 Provide Modeling Data to the MO

The LADWP EIM Entity shall provide the MO information associated with transmission facilities within LADWP's BAA, including, but not limited to, network constraints and associated limits that must be observed in LADWP's BAA network and interties with other BAAs.

4.1.2.2 Registration

The LADWP EIM Entity shall register all Non-Participating Resources with the MO. The LADWP EIM Entity may choose to obtain default energy bids from the MO for Non-Participating Resources that are Balancing Authority Area Resources. The LADWP EIM Entity shall update this information in accordance with the MO's requirements as revised information is received from Transmission Customers with Non-Participating Resources in accordance with Section 4.2.1.2 of this Attachment O.

4.1.3 Day-to-Day EIM Operations

4.1.3.1 Submission of Transmission Customer Base Schedule, Forecast Data for Non-Participating Resources that are Variable Energy Resources, and Resource Plans

The LADWP EIM Entity is responsible for providing the data required by the MO in accordance with Section 29.34 of the MO Tariff, including but not limited to: (1) hourly Transmission Customer Base Schedules; (2) Forecast Data for Non-Participating Resources that are Variable Energy Resources; and (3) Resource Plans.

4.1.3.2 Communication of Manual Dispatch Information

The LADWP EIM Entity shall inform the MO of a Manual Dispatch by providing adjustment information for the affected resources in accordance with Section 29.34 of the MO Tariff.

4.1.3.3 Confirmation

The MO shall calculate, and the LADWP EIM Entity shall confirm, actual values for Dynamic Schedules reflecting EIM Transfers to the MO within 60 minutes after completion of the Operating Hour to ensure the e-Tag author will be able to update these

values in accordance with WECC policies and industry standards through an update to the e-Tag. If WECC policies and industry standards are modified such that the 60-minute time frame set forth in the preceding sentence is no longer sufficient to enable compliance with the WECC policies and industry standards, Transmission Provider shall specify in its EIM BP the applicable time frame necessary to remain compliant.

4.1.3.4 Dispatch of EIM Available Balancing Capacity of a Non-Participating Resource

Upon notification by the MO, the LADWP EIM Entity shall notify the Non-Participating Resource of the Dispatch Operating Point for any EIM Available Balancing Capacity from the Non-Participating Resource, except in circumstances in which the LADWP EIM Entity determines the additional capacity is not needed for the BAA or has taken other actions to meet the capacity need.

4.1.4 Provision of Meter Data

The LADWP EIM Entity shall submit load, resource, and Interchange meter data to the MO in accordance with the format and timeframes required in the MO Tariff on behalf of Transmission Customers with Non-Participating Resources, loads, and Interchange.

4.1.5 Settlement of MO Charges and Payments

The LADWP EIM Entity shall be responsible for financial settlement of all charges and payments allocated by the MO to the LADWP EIM Entity. The LADWP EIM Entity shall sub-allocate EIM charges and payments in accordance with Schedules 1, 1A, 4, and 9 of this Tariff or Section 8 of Attachment O, as applicable.

4.1.6 Dispute Resolution with the MO

The LADWP EIM Entity shall manage dispute resolution with the MO for the LADWP EIM Entity settlement statements consistent with Section 29.13 of the MO Tariff, Section 12 of this Tariff, and the LADWP EIM BP. Transmission Customers with LADWP EIM Participating Resources shall manage dispute resolution with the MO for any settlement statements they receive directly from the MO.

4.2 Transmission Customer Responsibilities

The following Transmission Customers must comply with the information requirements of this section: (1) Transmission Customers with an LADWP EIM Participating

Resource; (2) Transmission Customers with a Non-Participating Resource; (3) Transmission Customers with load within LADWP's BAA; and (4) subject to the limitations identified in Section 4.2.4.5.1 of this Attachment O, Transmission Customers wheeling through LADWP's BAA. This section should be read in conjunction with the LADWP EIM BP.

4.2.1 Initial Registration Data

4.2.1.1 Transmission Customers with an LADWP EIM Participating Resource

A Transmission Customer with an LADWP EIM Participating Resource shall provide the LADWP EIM Entity with the data necessary to meet the requirements established by the MO to register all resources with the MO as required by Section 29.4(e)(4)(D) of the MO Tariff.

4.2.1.2 Transmission Customers with a Non-Participating Resource

A Transmission Customer with Non-Participating Resources shall provide the LADWP EIM Entity with data necessary to meet the requirements established by the MO as required by Section 29.4(c)(4)(C) of the MO Tariff.

4.2.2 Responsibility to Update Required Data

4.2.2.1 Transmission Customers with an LADWP EIM Participating Resource

Each Transmission Customer with an LADWP EIM Participating Resource has an ongoing obligation to inform the MO and LADWP EIM Entity of any changes to any of the information submitted by the Transmission Customer provided under Section 4.2.1 of this Attachment O that reflects changes in operating characteristics as required by Section 29.4(e)(4)(D) of the MO Tariff.

4.2.2.2 Transmission Customers with Non-Participating Resources

Each Transmission Customer with a Non-Participating Resource has an ongoing obligation to inform the LADWP EIM Entity of any changes to any of the information

submitted by the Transmission Customer with a Non-Participating Resource provided under Section 4.2.1 of this Attachment O.

4.2.3 Outages

Transmission Customers with LADWP EIM Participating Resources and Transmission Customers with Non-Participating Resources shall be required to provide planned and unplanned outage information for their resources in accordance with Section 7 of this Attachment O.

4.2.4 Submission of Transmission Customer Base Schedule

Every Transmission Customer (including Transmission Customers which do not have any resources or load within LADWP's BAA) shall submit the Transmission Customer Base Schedule to the LADWP EIM Entity. This submission must include Fore cast Data on all resources, Interchange, and Intrachange which balance to the Transmission Customer's anticipated load, as applicable. If the Transmission Customer does not serve load within LADWP's BAA, submission of the Transmission Customer Base Schedule shall balance to the Transmission Customer's anticipated actual generation within LADWP's BAA. The submissions shall be in the format and within the timing requirements established by the MO and the LADWP EIM Entity as required in Section 4.2.4.5 of this Attachment O and the LADWP EIM BP.

4.2.4.1 Transmission Customers with an LADWP EIM Participating Resource or Non-Participating Resource in the LADWP EIM Entity BAA

A Transmission Customer with an LADWP EIM Participating Resource or a Non-Participating Resource is not required to submit Forecast Data for:

(i) resources located in LADWP EIM Entity BAA that are less than three MW; or

(ii) behind-the-meter generation which is not contained in the MO's network model.

Each LADWP EIM Participating Resource Scheduling Coordinator shall provide to the LADWP EIM Entity:

(i) the energy bid range data (without price information) of the respective resources it represents that are participating in the EIM; and

(ii) Dispatch Operating Point data of the respective resources it represents that are participating in the EIM.

4.2.4.2 Transmission Customers with Non-Participating Resources that are Variable Energy Resources

4.2.4.2.1 Resource Forecasts

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall submit (i) resource Forecast Data with hourly granularity and (ii) resource Forecast Data with 5-minute or 15-minute granularity. A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall provide, at minimum, a three-hour rolling forecast with 15-minute granularity, updated every 15 minutes, and may provide, in the alternative, a three-hour rolling forecast with 5-minute granularity, updated every 5 minutes.

4.2.4.2.2 Method of submission

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall submit resource Forecast Data consistent with this Section 4.2.4.2 using any one of the following methods:

(i) The Transmission Customer may elect to use the LADWP EIM Entity's Variable Energy Resource reliability forecast prepared for Variable Energy Resources within LADWP's BAA, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to Schedule 9 of this Tariff;

(ii) The Transmission Customer may elect to self-supply the Forecast Data and provide such data to the LADWP EIM Entity, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to Schedule 9 of this Tariff; or

(iii) The Transmission Customer may elect that the MO produce Forecast Data for the Variable Energy Resource, made available to the Transmission Customer in a manner consistent with Section 29.11 (j)(1) of the MO Tariff, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to Schedule 9 of this Tariff.

4.2.4.2.3 Timing of submission

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource must elect one of the above methods prior to either: (1) the date LADWP joins the EIM or (2) the date the Non-Participating Resource interconnects to LADWP's BAA. A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource may change its election by providing advance notice to the LADWP EIM Entity.

To the extent a Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource elects method (2) above, and such Transmission Customer fails to submit resource Forecast Data for any time interval as required by this Section 4.2.4.2 of this Attachment O, the LADWP EIM Entity shall apply method (1) for purposes of settlement pursuant to Schedule 9 of this Tariff.

4.2.4.3 Transmission Customers with Load

As set forth in Sections 4.2.4 of this Attachment O, a Transmission Customer is required to submit Forecast Data on all resources, Interchange, and Intrachange which balance to the Transmission Customer's anticipated load, as applicable.

For purposes of settling Energy Imbalance Service pursuant to Schedule 4 of this Tariff, the LADWP EIM Entity shall calculate the load component of the Transmission Customer Base Schedule as the resource Forecast Data net of its Interchange Forecast Data and net of its Intrachange Forecast Data, as applicable.

4.2.4.4 Transmission Customers Without Resources or Load in LADWP's EIM Entity BAA

A Transmission Customer which does not have any resources or load within LADWP's EIM Entity BAA shall submit a Transmission Customer Base Schedule that includes Interchange and Intrachange Forecast Data to the LADWP EIM Entity.

4.2.4.5 Timing of Transmission Customer Base Schedules Submission.

4.2.4.5.1 Preliminary Submission of Transmission Customer Base Schedules by Transmission Customers with Resources or Load in the LADWP EIM Entity BAA.

Transmission Customers with resources or load in the LADWP EIM Entity BAA shall submit their initial Transmission Customer Base Schedules 7 days prior to each Operating Day ("T - 7 days"). Transmission Customers may modify the proposed Transmission Customer Base Schedule at any time but shall submit at least one update by 10 a.m. of the day before the Operating Day.

4.2.4.5.2 Final Submissions of Transmission Customer Base Schedules

Transmission Customers shall submit proposed final Transmission Customer Base Schedules, at any time but no later than 77 minutes prior to each Operating Hour ("T-77"). Transmission Customers may modify Transmission Customer Base Schedules up to and until 57 minutes prior to the Operating Hour ("T-57"). As of 55 minutes prior to each Operating Hour ("T-55"), the Transmission Customer Base Schedule data for the Operating Hour will be considered financially binding and Transmission Customers may not submit further changes. If the Transmission Customer fails to enter a Forecast Data value, the default will be 0 MW for that Operating Hour.

4.2.5 Metering for Transmission Customers with Non-Participating Resources

To assess imbalance, the MO shall disaggregate meter data into 5-minute intervals if the meter intervals are not already programmed to 5-minute intervals pursuant to a Transmission Customer's applicable interconnection requirements associated with any agreement pursuant to the form of Large Generator Interconnection Agreement found in Attachment M of this Tariff. To the extent that a Transmission Customer owns the meter or owns the communication to the meter, the Transmission Customer shall be responsible to maintain accurate and timely data accessible for the LADWP EIM Entity to comply with Section 4.1.4 of this Attachment O.

5. Transmission Operations

5.1 Provision of Information Regarding Real-Time Status of the Transmission Provider's Transmission System

(i) real time data for the Transmission System and interties; and

(ii) any changes to transmission capacity and the Transmission System due to operational circumstances.

5.2 Provision of EIM Transfer Capacity by an LADWP Interchange Rights Holder

The LADWP EIM Entity shall facilitate the provision of transmission capacity for EIM Transfers offered by an LADWP Interchange Rights Holder by providing the MO with information about the amounts made available by the LADWP Interchange Rights Holder for EIM Transfers. The provision of EIM Transfer capacity shall be implemented through the LADWP Interchange Rights Holder's submission of an e-Tag by 75 minutes prior to the Operating Hour ("T-75").

The LADWP Interchange Rights Holder shall include on the e-Tag the OASIS identification reservation number(s) associated with the transmission rights made available for EIM Transfers and shall also include the ~~Market Operator~~MO, all transmission providers, and path operators associated with the OASIS identification reservation number(s) identified on the e-Tag. The LADWP Interchange Rights Holder's rights associated with the submitted e-Tag shall be available for the EIM, subject to approval of the e-Tag by all required e-Tag approval entities. The amount made available for EIM Transfers shall never exceed the LADWP Interchange Rights Holder's transmission rights.

5.3 Provision of EIM Transfer Capability by the LADWP EIM Entity

The LADWP EIM Entity shall facilitate the provision of transmission capacity for EIM Transfers by providing the MO with information about the amounts available for EIM Transfers utilizing Available Transfer Capability ("ATC"). Such amounts shall be in addition to any amounts made available by LADWP Interchange Rights Holders pursuant to Section 5.2 of this Attachment O. The provision of EIM Transfer capacity corresponding to ATC shall be implemented by 40 minutes prior to the Operating Hour ("T-40") by the LADWP EIM Entity. The LADWP EIM Entity shall include an e-Tag, with an OASIS identification reservation number(s) created for EIM Transfers utilizing

ATC, and shall also include the MO, all transmission providers, and path operators associated with the OASIS identification reservation number(s) identified in the e-Tag. The amount of ATC indicated on the e-Tag will be based upon the lower of the amount of ATC calculated by each EIM Entity at that interface by T-40. The ATC associated with the submitted e-Tag shall be available for the EIM, subject to approval of the e-Tag by all required e-Tag approval entities.

6. System Operations Under Normal and Emergency Conditions

6.1 Compliance with Reliability Standards

Participation in the EIM shall not modify, change, or otherwise alter the manner in which the Transmission Provider operates its Transmission System consistent with applicable reliability standards, including adjustments.

Participation in the EIM shall not modify, change, or otherwise alter the obligations of the LADWP EIM Entity, Transmission Customers with LADWP EIM Participating Resources, or Transmission Customers with Non-Participating Resources to comply with applicable reliability standards.

The LADWP EIM Entity shall remain responsible for:

(i) maintaining appropriate operating reserves and for its obligations pursuant to any reserve sharing group agreements;

(ii) NERC and WECC responsibilities including, but not limited to, informing the Reliability Coordinator of issues within LADWP's BAA;

(iii) processing e-Tags and managing schedule curtailments at the interties; and

(iv) monitoring and managing real-time flows within system operating limits on all transmission facilities within LADWP's BAA, including facilities of LADWP BAA Transmission Owners. If requested by a Transmission Customer that is also an LADWP BAA Transmission Owner, the LADWP EIM Entity will provide additional information or data related to EIM operation as it may relate to facilities of an LADWP BAA Transmission Owner.

6.2 Good Utility Practice

The LADWP EIM Entity, Transmission Customers with Non-Participating Resources, and Transmission Customers with LADWP EIM Participating Resources shall comply with Good Utility Practice with respect to this Attachment O.

6.3 Management of Contingencies and Emergencies

6.3.1 EIM Disruption

If the MO declares an EIM disruption in accordance with Section 29.7(j) of the MO Tariff, the LADWP EIM Entity shall, in accordance with Section 29.7(j)(4) of the MO Tariff, promptly inform the MO of actions taken in response to the EIM disruption by providing adjustment information, updates to e-Tags, transmission limit adjustments, or outage and de-rate information, as applicable.

6.3.2 Manual Dispatch

The LADWP EIM Entity may issue a Manual Dispatch order to a Transmission Customer with an LADWP EIM Participating Resource or a Non-Participating Resource in LADWP's BAA, to address reliability or operational issues in LADWP's BAA that the EIM is not able to address through normal economic dispatch and congestion management.

The LADWP EIM Entity shall inform the MO of a Manual Dispatch as soon as possible.

7. Outages

7.1 LADWP EIM Entity Transmission Outages

7.1.1 Planned Transmission Outages and Known Derates

The LADWP EIM Entity shall submit information regarding planned transmission outages and known derates to the MO's outage management system in accordance with Section 29.9(b) of the MO Tariff. The LADWP EIM Entity shall update the submittal if there are changes to the transmission outage plan.

7.1.2 Unplanned Transmission Outages

The LADWP EIM Entity shall submit information as soon as possible regarding unplanned transmission outages or derates to the MO's outage management system in accordance with Section 29.9(e) of the MO Tariff.

7.2 LADWP BAA Transmission Owner Outages

Transmission Customers that are also LADWP BAA Transmission Owners shall provide the LADWP EIM Entity with planned and unplanned transmission outage data. Planned outages shall be reported to the LADWP EIM Entity.

The LADWP EIM Entity shall communicate information regarding planned and unplanned outages of LADWP BAA Transmission Owner facilities to the MO as soon as practicable upon receipt of the information from the LADWP BAA Transmission Owner.

7.3 LADWP EIM Participating Resource Outages

7.3.1 Planned LADWP EIM Participating Resource Outages and Known Derates

LADWP EIM Participating Resource Scheduling Coordinators shall submit information regarding planned resource outages and known derates to the LADWP EIM Entity. Planned outages and known derates shall be reported to the LADWP EIM Entity 7 or more days in advance and preferably at least 30 days in advance of the outage or known derate. The LADWP EIM Entity shall then submit this outage information to the MO's outage management system in accordance with Section 29.9(c) of the MO Tariff. LADWP EIM Participating Resource Scheduling Coordinators shall update the submittal if there are changes to the resource outage plan.

7.3.2 Unplanned LADWP EIM Participating Resource Outages or Derates

In the event of an unplanned outage required to be reported under Section 29.9(e) of the MO Tariff, the LADWP EIM Participating Resource Scheduling Coordinator is responsible for notifying the LADWP EIM Entity of required changes. Unplanned outages shall be reported to the LADWP EIM Entity as soon as possible but no later than 30 minutes after the outage commences. The LADWP EIM Entity shall then submit this information to the MO's outage management system.

Changes in availability of 10 MW or 5% of Pmax (whichever is greater) lasting 15 minutes or longer must be reported to the LADWP EIM Entity. The LADWP EIM Entity shall then submit this information to the MO's outage management system.

7.4 Outages of Transmission Customers with Non-Participating Resources

7.4.1 Planned Outages and Known Derates of Transmission Customers with Non- Participating Resources

Transmission Customers with Non-Participating Resources shall report information regarding planned outages and known derates of resources to the LADWP EIM Entity. The Transmission Customer with a Non-Participating Resource shall update the submittal if there are changes to the resource's outage plan.

The LADWP EIM Entity shall submit planned resource outages and known derates of Non- Participating Resources to the MO's outage management system in accordance with Section 29.9(c) of the MO Tariff.

7.4.2 Unplanned Outages or Derates of Resources of Transmission Customers with Non- Participating Resources

Unplanned outages of resources of a Transmission Customer with Non-Participating Resources shall be reported to the LADWP EIM Entity.

In the event of a forced outage required to be reported under Section 29.9(e) of the MO Tariff, the LADWP EIM Entity is responsible for notifying the MO of required changes through the MO's outage management system.

Changes in availability of 10 MW or 5% of the element's normal system operating limits (whichever is greater) lasting 15 minutes or longer must be reported to the LADWP EIM Entity. The LADWP EIM Entity shall then submit this information to the MO's outage management system.

8. EIM Settlements and Billing

The LADWP EIM BP shall include additional charges or charge code changes, if any, identified by CAISO or vendors.

8.0 Administrative Charges

Any charges or payments to the LADWP EIM Entity pursuant to Sections 4.5.1.1.4, 4.5.1.3, 11.22.8, and 29.11(i) of the MO Tariff for Administrative Charges not otherwise recovered under Schedule 1A shall be sub-allocated to Transmission Customers on the basis of Measured Demand:

Charge Code	Description	Allocation
4564	GMC-EIM Transaction Charge	Measured Demand
4575	SMCR – Settlements, Metering, and Client Relations	Measured Demand

8.1 Instructed Imbalance Energy (IIE)

The LADWP EIM Entity shall settle as IIE imbalances that result from (1) operational adjustments of a Transmission Customer's affected base generation schedule or Interchange, which includes changes by a Transmission Customer after T-57, (2) resource imbalances created by Manual Dispatch or an EIM Available Balancing Capacity dispatch, (3) an adjustment to resource imbalances created by adjustments to resource forecasts, or (4) other reasons IIE is calculated by the MO pursuant to Section 11.5 of the MO Tariff and using the Real Time Dispatch~~RTD~~ or ~~FMM~~ Fifteen Minute Market price at the applicable PNode. Any allocations to the LADWP EIM Entity pursuant to Section 29.1 1(b)(1) and (2) of the MO Tariff for IIE shall be recovered under Schedule 9 of this Tariff:

Charge Code	Description	Allocation
64600	FMM Instructed Imbalance Energy EIM Settlement	d~~D~~irectly a~~A~~llocated
64700	Real Time Instructed Imbalance Energy EIM Settlement	d~~D~~irectly a~~A~~llocated

8.2 Uninstructed Imbalance Energy (UIE)

Any charges or payments to the LADWP EIM Entity pursuant to Section 29.11(b)(3)(B) and (C) of the MO Tariff for UIE shall be recovered under Schedule 4 or Schedule 9 of this Tariff:

Charge Code	Description	Allocation

64750	Real Time Uninstructed Imbalance Energy EIM Settlement	dDirectly aAllocated

8.3 Unaccounted for Energy (UFE)

Any charges to the LADWP EIM Entity pursuant to Section 29.11(c) of the MO Tariff for UFE shall be sub-allocated to Transmission Customers on the basis of Measured Demand:

Charge Code	Description	Allocation
64740	Real-Time Unaccounted for EIM Energy Settlement	Measured Demand

8.4 Charges for Under-Scheduling or Over-Scheduling Load

8.4.1 Under-Scheduling Load

Any charges to the LADWP EIM Entity pursuant to Section 29.1 1(d)(1) of the MO Tariff for underscheduling load shall be assigned to the Transmission Customers subject to Schedule 4 based on each Transmission Customer's respective under-scheduling imbalance ratio share, which is the ratio of the Transmission Customer's under-scheduled load imbalance amount relative to all other Transmission Customers' under-scheduled load imbalance amounts who have under-scheduled load for the Operating Hour, expressed as a percentage as follows:

Charge Code	Description	Allocation
6045	Overscheduling and Underscheduling Charge	dDirectly aAllocated

8.4.2 Over-Scheduling Load

Any charges to the LADWP EIM Entity pursuant to Section 29.1 1(d)(2) of the MO Tariff for overscheduling load shall be assigned to the Transmission Customers subject to Schedule 4 based on each Transmission Customer's respective over-scheduling imbalance ratio share, which is the ratio of the Transmission Customer's over-scheduled load imbalance amount relative to all other Transmission Customers' over-scheduled load imbalance amounts who have over-scheduled load for the Operating Hour, expressed as a percentage as follows:

Charge Code	Description	Allocation
6045	Overscheduling and Underscheduling Charge	dDirectly aAllocated

8.4.3 Distribution of Under-Scheduling or Over-Scheduling Proceeds

Any payment to the LADWP EIM Entity pursuant to Section 29.1 1(d)(3) of the MO Tariff shall be distributed to Transmission Customers on the basis of Metered Demand and in accordance with the procedures outlined in the LADWP EIM BP:

Charge Code	Description	Allocation
6046	Under Scheduling and Over Scheduling Allocation	Metered Demand

8.5 EIM Uplifts

8.5.1 EIM Entity BAA Real-Time Imbalance Energy Offset

Any charges to the LADWP EIM Entity pursuant to Section 29.1 1(e)(3) of the MO Tariff for EIM BAA real-time imbalance energy offset be sub-allocated to Transmission Customers on the basis of Measured Demand:

Charge Code	Description	Allocation
6478	Real Time Imbalance Energy Offset – system	Measured Demand
64770	Real Time Imbalance Energy Offset EIM	Measured Demand

8.5.2 EIM Entity BAA Real-Time Congestion Offset

Any charges to the LADWP EIM Entity pursuant to Section 29.11 (e)(2) of the MO Tariff for the EIM real-time congestion offset shall be allocated to Transmission Customers on the basis of Measured Demand:

Charge Code	Description	Allocation
67740	Real Time Congestion Offset EIM	Measured Demand

8.5.3 EIM Entity Real-Time Marginal Cost of Losses Offset

Any charges to the LADWP EIM Entity pursuant to Section 29.1 1(e)(4) of the MO Tariff for real-time marginal cost of losses offset shall be sub-allocated to Transmission Customers on the basis of Measured Demand:

Charge Code	Description	Allocation
69850	Real Time Marginal Losses Offset EIM	Measured Demand

8.5.4 EIM Neutrality Settlement

Any charges to the LADWP EIM Entity pursuant to Section 29.11 (e)(5) of the MO Tariff for EIM neutrality settlement shall be sub-allocated on the basis of Measured Demand:

Charge Code	Description	Allocation
8989	Daily Neutrality Adjustment	Measured Demand
8999	Monthly Neutrality Adjustment	Measured Demand

8.5.5 Real-Time Bid Cost Recovery

Any charges to the LADWP EIM Entity pursuant to Section 29.11(f) of the MO Tariff for EIM real-time bid cost recovery shall be sub-allocated to Transmission Customers on the basis of Measured Demand:

Charge Code	Description	Allocation
66200	Bid Cost Recovery EIM Settlement	Measured Demand
66780	Real Time Bid Cost Recovery Allocation EIM	Measured Demand

8.5.6 Flexible Ramping Product

Any charges or payments to the LADWP EIM Entity pursuant to Section 29.11(p) of the MO Tariff for the Flexible Ramping Product shall be sub-allocated to Transmission Customers on the basis on the basis of Measured Demand:

Charge Code	Description	Allocation

7070	Flexible Ramp Forecasted Movement Settlement	Measured Demand
7076	Flexible Ramp Forecasted Movement Allocation	Measured Demand
7077	Daily Flexible Ramp Up Uncertainty Award Allocation	Measured Demand
7078	Monthly Flexible Ramp Up Uncertainty Award Allocation	Measured Demand
~~7089~~7087	Daily Flexible Ramp Down Uncertainty Award Allocation	Measured Demand
7088	Monthly Flexible Ramp Down Uncertainty Award Allocation	Measured Demand

8.5.7 **Inaccurate or Late Actual Settlement Quality Meter Data Penalty**

To the extent the LADWP EIM Entity incurs a penalty for inaccurate or late actual settlement quality meter data, pursuant to Section 37.11.1 of the MO Tariff, the LADWP EIM Entity shall directly assign the penalty to the offending Transmission Customer. Specifically, the charge is identified and allocated as follows:

Charge Code	**Description**	**Allocation**
1591	EP Penalty Charge due CAISO Trustee	d~~D~~irectly a~~A~~llocated
1592	EP Penalty Allocation Payment	LADWP EIM Entity

8.5.8 **Other EIM Settlement Provisions**

Any charges to the LADWP EIM Entity pursuant to the MO Tariff for the EIM settlement shall be sub-allocated. The charges shown in the following table shall be sub-allocated as follows:

Charge Code	**Description**	**Allocation**
7989	Invoice Deviation (distribution and allocation)	LADWP EIM Entity
7999	Invoice Deviation Interest Allocation	LADWP EIM Entity
2999	Default Invoice Interest Payment	LADWP EIM Entity
3999	Default Invoice Interest Charge	LADWP EIM Entity
5024	Invoice Late Payment Penalty	LADWP EIM Entity
5025	Financial Security Posting (Collateral) Late Payment Penalty	LADWP EIM Entity
5900	Shortfall Receipt Distribution	LADWP EIM Entity

5901	Shortfall Allocation Reversal	LADWP EIM Entity
5910	Shortfall Allocation	LADWP EIM Entity
5912	Default Loss Allocation	LADWP EIM Entity
8526	Generator Interconnection Process GIP Forfeited Deposit Allocation	LADWP EIM Entity
6196	Spinning Reserve Neutrality Allocation	LADWP EIM Entity
6296	Non-Spinning Reserve Neutrality Allocation	LADWP EIM Entity

8.6 MO Tax Liabilities

Any charges to the LADWP EIM Entity pursuant to Section 29.22(a) of the MO Tariff for MO tax liability as a result of the EIM shall be sub-allocated to those Transmission Customers triggering the tax liability.

8.7 EIM Transmission Service Charges

There shall be no incremental transmission charge assessed for transmission use related to the EIM.

Participating Resources and Balancing Authority Area Resources will not incur unreserved use charges solely as a result of EIM Dispatch Instruction. Schedule 11 of this Tariff shall apply to any amount of actual metered generation in an Operating Hour, if any, which is in excess of the sum of both: (1) the greatest positive Dispatch Operating Point or Manual Dispatch of the LADWP EIM Participating Resource received during the Operating Hour, and (2) the Transmission Customer's Reserved Capacity. Any ancillary service charges that are applicable to Schedule 11 charges shall apply and shall include Schedules 1 and 1A of this Tariff.

8.8 Variable Energy Resource Forecast Charge

Any costs incurred by the LADWP EIM Entity related to the preparation and submission of resource Forecast Data for a Transmission Customer with a Non-Participating Resource electing either method (1) or (2), as set forth in Section 4.2.4.2 of this Attachment O, shall be allocated to the Transmission Customer with a Non-Participating Resource electing to use either such method.

For a Transmission Customer with a Non-Participating Resource electing method (3), as set forth in Section 4.2.4.2 of this Attachment O, any charges to the LADWP EIM Entity pursuant to Section 29.1 1(j)(1) of the MO Tariff for Variable Energy Resource forecast

charges shall be sub allocated to the Transmission Customer with a Non-Participating Resource requesting such forecast as follows:

Charge Code	Description	Allocation
701	Forecasting Service Fee	dDirectly aAllocated
~~Not applicable~~	~~Vendor charges and handling fee~~	~~Directly Allocated~~

8.9 EIM Payment Calendar

Pursuant to Section 29.11(l) of the MO Tariff, the LADWP EIM Entity shall be subject to the MO's payment calendar for issuing settlement statements, exchanging invoice funds, submitting meter data, and submitting settlement disputes to the MO. The LADWP EIM Entity shall follow Section 7 of this Tariff for issuing invoices regarding the EIM.

8.10 EIM Residual Balancing Account

To the extent that MO EIM-related charges or payments to the LADWP EIM Entity are not captured elsewhere in Attachment H, Schedules 1, 1A, 4, and 9 of this Tariff, or this Section 8, those charges or payments shall be placed in a balancing account, with interest accruing at the rate established in 18 C.F.R. § 35.19(a)(2)(iii), until modified by the Transmission Provider's Board of Commissioners and Los Angeles City Council.

8.11 Market Validation and Price Correction

If the MO modifies the LADWP EIM Entity settlement statement in accordance with the MO's market validation and price correction procedures in the MO Tariff, the LADWP EIM Entity reserves the right to make corresponding or similar changes to the charges and payments sub-allocated under this Attachment O.

8.12 Allocation of Operating Reserves

Any payments or charges to the LADWP EIM Entity pursuant to Section 29.11(n)(1) or 29.11(n)(2) of the MO Tariff for operating reserve obligations shall not be sub-allocated to Transmission Customers:

Charge Code	Description	Allocation
6194	Spinning Reserve Obligation Settlement	LADWP EIM Entity

6294	Non-Spinning Reserve Obligation Settlement	LADWP EIM Entity

9. Compliance

9.1 Provision of Data

Transmission Customers with LADWP EIM Participating Resources and LADWP EIM Participating Resource Scheduling Coordinators are responsible for complying with information requests they receive directly from the EIM market monitor or regulatory authorities concerning EIM activities.

A Transmission Customer with LADWP EIM Participating Resources or a Transmission Customer with Non-Participating Resources must provide the LADWP EIM Entity with all data necessary to respond to information requests received by the LADWP EIM Entity from the MO, the EIM market monitor, or regulatory authorities concerning EIM activities.

If the LADWP EIM Entity is required by applicable laws or regulations, or in the course of administrative or judicial proceedings, to disclose information that is otherwise required to be maintained in confidence, the LADWP EIM Entity may disclose such information; provided, however, that upon the LADWP EIM Entity learning of the disclosure requirement and, if possible, prior to making such disclosure, the LADWP EIM Entity shall notify any affected party of the requirement and the terms thereof. The party can, at its sole discretion and own cost, direct any challenge to or defense against the disclosure requirement. The LADWP EIM Entity shall cooperate with the affected party to obtain proprietary or confidential treatment of confidential information by the person to whom such information is disclosed prior to any such disclosure.

The LADWP EIM Entity shall treat all Transmission Customer and Interconnection Customer data and information provided to it as market-sensitive and confidential, unless the LADWP EIM Entity is otherwise allowed or required to disclose. The LADWP EIM Entity shall continue to abide by the Commission's Standards of Conduct and handle customer information accordingly.

9.2 Rules of Conduct

These rules of conduct are intended to provide fair notice of the conduct expected and to provide an environment in which all parties may participate in the EIM on a fair and equal basis.

Transmission Customers must:

(i) Comply with Dispatch Instructions and LADWP EIM Entity operating orders in accordance with Good Utility Practice. If some limitation prevents the Transmission Customer from fulfilling the action requested by the MO or the LADWP EIM Entity, the Transmission Customer must immediately and directly communicate the nature of any such limitation to the LADWP EIM Entity;

(ii) Submit bids for resources that are reasonably expected to both be and remain available and capable of performing at the levels specified in the bid, based on all information that is known or should have been known at the time of submission;

(iii) Notify the MO and/or the LADWP EIM Entity, as applicable, of outages in accordance with Section 7 of this Attachment O;

(iv) Provide complete, accurate, and timely meter data to the LADWP EIM Entity in accordance with the metering and communication requirements of this Tariff and maintain responsibility to ensure the accuracy of such data communicated by any customer-owned metering or communications systems. To the extent such information is not accurate or timely when provided to the LADWP EIM Entity, the Transmission Customer shall be responsible for any consequence on settlement and billing;

(v) Provide information to the LADWP EIM Entity, including the information requested in Sections 4.2.1, 4.2.2, 4.2.3, 4.2.4 and 9.1 of this Attachment O, by the applicable deadlines; and

(vi) Utilize commercially reasonable efforts to ensure that forecasts are accurate and based on all information that is known or should have been known at the time of submission to the LADWP EIM Entity.

9.3 **Enforcement**

The LADWP EIM Entity may refer a violation of Section 9.2 of this Attachment O to its Board of Commissioners and/or the MO for further action.

10. Market Contingencies

10.1 Temporary Suspension by the MO

In the event that the MO implements a temporary suspension in accordance with Section 29.1 (d)(1) of the MO Tariff, including the actions identified in Section 29.1 (d)(5), the LADWP EIM Entity shall utilize Schedules 4A, 9A, 11, 12A and Sections 15.7 and 28.5 of LADWP Tariff until the temporary suspension is no longer in effect or, if the MO determines to extend the suspension, for a period of time sufficient to process termination of the LADWP EIM Entity's participation in the EIM in accordance with Section 29.1(d)(2) of the MO Tariff.

10.2 Termination of Participation in EIM by the LADWP EIM Entity

If the LADWP EIM Entity submits a notice of termination of its participation in the EIM to the MO in accordance with the applicable agreements and Section 4.1.1.5 of this Attachment O, in order to mitigate price exposure during the 180-day period between submission of the notice and the termination effective date, the LADWP EIM Entity may invoke the following corrective actions by requesting that the MO:

(i) prevent EIM Transfers and separate the LADWP EIM Entity's BAA from operation of the EIM in the EIM Area; and

(ii) suspend settlement of EIM charges with respect to the LADWP EIM Entity. Once such corrective actions are implemented by the MO, the LADWP EIM Entity shall utilize Schedules 4A, 9A, and Sections 15.7 and 28.5 of LADWP's Tariff.

If the LADWP EIM Entity takes action under this Section 10.2, the LADWP EIM Entity shall notify the MO and Transmission Customers.

10.3 Corrective Actions Taken by the LADWP EIM Entity for Temporary Contingencies

The LADWP EIM Entity may declare a temporary contingency and invoke corrective actions for the EIM when in its judgment -

(i) operational circumstances (including a failure of the EIM to produce feasible results in LADWP's BAA) have caused or are in danger of causing an abnormal system condition in LADWP's BAA that requires immediate action to prevent loss of load, equipment damage, or tripping system elements that might result in

cascading outages, or to restore system operation to meet the applicable Reliability Standards and reliability criteria established by NERC and WECC; or

(ii) communications between the MO and the LADWP EIM Entity are disrupted and prevent the LADWP EIM Entity, the LADWP EIM Entity Scheduling Coordinator, or an LADWP EIM Participating Resource Scheduling Coordinator from accessing MO systems to submit or receive information.

10.3.1 **Corrective Actions for Temporary Contingencies**

If either of the above temporary contingencies occurs, the LADWP EIM Entity may invoke the following corrective actions by requesting that the MO:

(i) prevent EIM Transfers and separate the LADWP EIM Entity's BAA from operation of the EIM in the EIM Area; and/or

(ii) suspend settlement of EIM charges with respect to the LADWP EIM Entity.

When corrective action under 10.3.1 (2) is implemented or if the MO Tariff requires the use of these temporary schedules to set an administrative price, the LADWP EIM Entity shall utilize Schedules 4A, 9A, and Sections 15.7 and 28.5 of LADWP's Tariff.

If the LADWP EIM Entity takes action under this Section 10.3, the LADWP EIM Entity shall notify the MO and Transmission Customers. The LADWP EIM Entity and the MO shall cooperate to resolve the temporary contingency event and restore full EIM operations as soon as is practicable.

ATTACHMENT P

Transmission Line Ratings

Proposed Effective Date: Three years from the date this Attachment P is approved by the governance bodies of LADWP, including the Los Angeles City Council.

General:

The Transmission Provider will implement Transmission Line Ratings on the transmission lines over which it provides Transmission Service, as provided below.

Definitions:

The following definitions apply for purposes of this Attachment:

(1) "Transmission Line Rating" means the maximum transfer capability of a transmission line, computed in accordance with a written Transmission Line Rating 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, line traps, and transformers.

(2) "Ambient-Adjusted Rating" (AAR) means a Transmission Line Rating that:

(a) Applies to a time period of not greater than one hour.

(b) Reflects an up-to-date forecast of ambient air temperature across the time period to which the rating applies.

(c) Reflects the absence of solar heating during nighttime periods, where the local sunrise/sunset times used to determine daytime and nighttime periods are updated at least monthly, if not more frequently.

(d) Is calculated at least each hour, if not more frequently.

(3) "Seasonal Line Rating" means a Transmission Line Rating that:

(a) Applies to a specified season, where seasons are defined by the Transmission Provider to include not fewer than four seasons in each year, and to reasonably reflect portions of the year where expected high temperatures are relatively consistent.

(b) Reflects an up-to-date forecast of ambient air temperature across the relevant season over which the rating applies.

(c) Is calculated annually, if not more frequently, for each season in the future for which Transmission Service can be requested.

(4) "Near-Term Transmission Service" means 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 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.

(5) "Emergency Rating" means 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.

System Reliability:

If the 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 the Transmission Provider may use such an alternate rating. The 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.

Obligations of Transmission Provider:

The Transmission Provider will have the following obligations.

The Transmission Provider must use AARs as the relevant Transmission Line Ratings when performing any of the following functions: (1) evaluating requests for Near-Term Transmission Service; (2) responding to requests for information on the availability of potential Near-Term Transmission Service (including requests for ATC or other information related to potential service); or (3) posting ATC or other information related to Near-Term Transmission Service to the Transmission Provider's OASIS site or another password-protected website.

The Transmission Provider must use AARs as the relevant Transmission Line Ratings when determining whether to curtail (under section 13.6) Firm Point-To-Point Transmission Service or when determining whether to curtail and/or interrupt (under section 14.7) Non-Firm Point-To-Point Transmission Service if such curtailment and/or interruption is both necessary because of issues related to flow limits on transmission lines and anticipated to occur (start and end) within 10 days of such determination. For determining whether to curtail or interrupt Point-To-Point Transmission Service in other situations, the Transmission Provider must use Seasonal Line Ratings as the relevant Transmission Line Ratings.

The Transmission Provider must use AARs as the relevant Transmission Line Ratings when determining whether to curtail (under section 33) or redispatch (under sections 30.5 and/or 33) Network Integration Transmission Service or secondary service if such curtailment or redispatch is both necessary because of issues related to flow limits on transmission lines and anticipated to occur (start and end) within 10 days of such determination. For determining the necessity of curtailment or redispatch of Network Integration Transmission Service or

secondary service in other situations, the Transmission Provider must use Seasonal Line Ratings as the relevant Transmission Line Ratings.

The Transmission Provider must use Seasonal Line Ratings as the relevant Transmission Line Ratings when evaluating requests for and whether to curtail, interrupt, or redispatch 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. The Transmission Provider must use Seasonal Line Ratings as a recourse rating in the event that an AAR otherwise required to be used under this Attachment is unavailable.

The Transmission Provider must use uniquely determined Emergency Ratings for contingency analysis in the operations horizon and in post-contingency simulations of constraints. Such uniquely determined Emergency Ratings must also include separate AAR calculations for each Emergency Rating duration used.

In developing forecasts of ambient air temperature for AARs and Seasonal Line Ratings, the Transmission Provider must develop such forecasts consistent with Good Utility Practice and on a non-discriminatory basis.

Postings to OASIS or another password-protected website: The 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: The 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 (1) above.

Exceptions: Where the Transmission Provider determines, consistent with Good Utility Practice, that the Transmission Line Rating of a transmission line is not affected by ambient air temperature or solar heating, the Transmission Provider may use a Transmission Line Rating for that transmission line that is not an AAR or Seasonal Line Rating. Examples of such a transmission line may include (but are not limited to): (1) a transmission line for which the technical transfer capability of the limiting conductors and/or limiting transmission equipment is not dependent on ambient air temperature or solar heating; or (2) a transmission line whose transfer capability is limited by a Transmission System limit (such as a system voltage or stability limit) which is not dependent on ambient air temperature or solar heating. The Transmission Provider must document in its database of Transmission Line Ratings and Transmission Line Rating methodologies on OASIS or another password-protected website any exceptions to the requirements contained in this Attachment initiated under this paragraph, including the nature of and basis for each exception, the date(s) and time(s) that the exception was initiated, and (if applicable) the date(s) and time(s) that each exception was withdrawn and the standard rating became effective again. If the technical basis for an exception under this paragraph changes, then the Transmission Provider must update the relevant Transmission Line Rating(s) in a timely manner. The Transmission Provider must reevaluate any exceptions taken under this paragraph at least every five years.

Attachment D

Redline of the final proposed changes against the changes contained in the April 1 Proposal

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 Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control 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 Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

All Transmission Customers required to acquire Scheduling, System Control and Dispatch Service shall pay a charge invoiced monthly for Scheduling, System Control and Dispatch Service provided by the Transmission Provider equal to the amount set forth below. For Point-to-Point Transmission Service, the rate shall be applied to the Transmission Customer’s Reserved Capacity.

Schedule 1 - Scheduling, System Control and Dispatch Service

Service	Period	Rates
Hourly	On-Peak	$0.~~594~~494/MWh
Hourly	Off-Peak	$0.~~282~~235/MWh
Daily	Full	$0.~~007~~006/kW-day
Weekly	Full	$0.~~047~~040/kW-mo
Monthly	Full	$0.~~206~~171/kW-mo
Yearly	Full	$2.~~470~~055/kW-yr

SCHEDULE 1A

EIM Administrative Service

This service recovers the administrative costs assessed by the CAISO as the MO of the EIM to the LADWP EIM Entity in accordance with Sections 4.5.1.1.4, 4.5.1.3, 11.22.8, and 29.11(i) of the MO Tariff (EIM Administrative Costs). All Transmission Customers purchasing Long Term Firm Point-to-Point Transmission Service, Short-Term Firm Point-to-Point Transmission Service, Non-Firm Point-to-Point Transmission Service, or Network Integration Transmission Service from the Transmission Provider shall be required to acquire EIM Administrative Service from the Transmission Provider.

EIM Administrative Costs assigned to the LADWP EIM Entity shall be sub-allocated to Transmission Customers on the basis of Measured Demand for the time period in which the EIM Administrative Costs were incurred.

SCHEDULE 2

Reactive Supply and Voltage Control from Generation or Other Sources Service

In order to maintain transmission voltages on the 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 control 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 the 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 the 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 the Transmission Provider.

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

service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the Control Area operator.

All Transmission Customers required to acquire reactive supply and voltage control shall pay a charge invoiced monthly for reactive supply and voltage control equal to the amount set forth below. For Point-to-Point Transmission Service, the rate shall be applied to the Transmission Customer's Reserved Capacity.

Schedule 2 – Reactive Supply and Voltage Control from Generation and Other Sources Service

Service	Period	Rates
Hourly	On-Peak	$0.~~480~~395/MWh
Hourly	Off-Peak	$0.~~228~~187/MWh
Daily	Full	$0.005/kW-day
Weekly	Full	$0.~~038~~032/kW-wk
Monthly	Full	$0.~~167~~137/kW-mo
Yearly	Full	$1.~~999~~642/kW-yr

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 the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider).

The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation.

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

1. Regulation and Frequency Response Service Requirements:

The Transmission Customer's total load within the Transmission Provider's Control Area shall not exceed the Transmission Customer's Reserved Capacity, and the Transmission Provider shall have no obligation to provide this service for any other loads of the Transmission Customer.

A Transmission Customer purchasing Regulation and Frequency Response Service will be required to purchase an amount of such service equal to 1.885 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service. Where the Transmission Customer's Reserved Capacity is used to deliver power from a non-dispatchable resource physically or electrically located in the Transmission Provider's Control Area to the Transmission Customer's load, the Transmission Customer shall purchase Generator Regulation and Frequency Response Service under Schedule 10. The Transmission Provider may not charge a Transmission Customer for service under both Schedule 3 and Schedule 10 for the same Reserved Capacity. The billing determinants for this service shall be reduced by any portion of the 1.885 percent purchase obligation that a Transmission Customer obtains from third-parties or supplies itself.

2. Compensation to for Regulation and Frequency Response Service:

All Transmission Customers required to acquire Regulation and Frequency Response Service shall pay a charge invoiced monthly equal to the amount set forth below.

Schedule 3 – Regulation and Frequency Response Service

Service	Period	Rates
Hourly	On-Peak	$~~39.908~~33.473/MWh
Hourly	Off-Peak	$~~18.952~~15.896/MWh
Daily	Full	$0.~~456~~383/kW-day
Weekly	Full	$~~3.193~~2.678/kW-wk
Monthly	Full	$~~13.835~~11.604/kW-mo
Yearly	Full	$~~166.016~~139.249/kW-yr

SCHEDULE 4

Energy Imbalance Service

This Schedule 4 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended. In accordance with Section 10 of Attachment O of this Tariff, Schedule 4A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended.

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within the LADWP EIM Entity BAA over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within the LADWP EIM Entity BAA. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

A Transmission Customer shall be charged or paid for Energy Imbalance Service measured as the deviation of the Transmission Customer's metered load compared to the load component of the Transmission Customer Base Schedule (as determined pursuant to Section 4.2.4 of Attachment O of this Tariff) settled as UIE for the period of the deviation at the applicable LAP price where the load is located, as determined by the MO under Section 29.11(b)(3)(C) of the MO Tariff.

SCHEDULE 4A

Energy Imbalance Service when EIM Suspended

In accordance with Section 10 of Attachment O of this Tariff, this Schedule 4A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended. Schedule 4 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended.

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. An Interconnection Customer, as defined in Attachment M or N of the Tariff, as applicable, must pay imbalance charges in accordance with this Schedule. The Transmission Customer must either purchase this service from the 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 Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a 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 Transmission Provider has established charges for energy imbalance based on the deviation bands as follows:

(i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, using the Hourly Pricing Proxy;

(ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent the Hourly Pricing Proxy for under-scheduling or 90 percent of the Hourly Pricing Proxy for over-scheduling; and

(iii) deviation greater than +/- 7.5 percent (or greater than 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of the

Hourly Pricing Proxy for under-scheduling or 75 percent of the Hourly Pricing Proxy for over-scheduling.

Hourly Pricing Proxy: For purposes of this Schedule, "Hourly Pricing Proxy" is defined as the average price for each hour of the delivered energy price at SP15 day-ahead Index. In the event the referenced index price is negative, the referenced index price shall be deemed to be zero dollars ($0). At the end of each month, the Transmission Provider shall calculate the Hourly Pricing Proxy using pricing information from Dow Jones, the California ISO or another authenticated source.

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. The Transmission Provider must offer this service when the transmission service is used: (a) to serve load within the Transmission Provider's Control Area and (b) to support sales from generators located within its Control Area. The Transmission Customer must either purchase this service from the 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 Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

1. **Spinning Reserve Service Requirements:**

The Transmission Customer may purchase Spinning Reserve Service under this Tariff to satisfy its spinning reserve obligations commensurate with the amount of Reserved Capacity purchased from the Transmission Provider. Specifically, the Transmission Customer's total load within the Transmission Provider's Control Area

shall not exceed the Transmission Customer's Reserved Capacity, and the Transmission Provider shall have no obligation to provide this service for any other loads of the Transmission Customer.

If spinning reserves are provided by any party other than the Transmission Provider, sufficient transmission capacity shall be purchased to provide for the delivery of spinning reserves under any credible single contingency. Spinning reserves shall not be provided by the same generation resource supplying load, since loss of this resource represents a credible single contingency.

The Transmission Customer shall identify in its Application the manner by which it intends to provide for spinning reserves. The use of any resources owned by parties other than the Transmission Provider as spinning reserve resources shall be subject to verification by the Transmission Provider, and such resources shall conform to applicable WECC and NERC criteria for spinning reserves.

A Transmission Customer purchasing Spinning Reserve Service will be required to purchase an amount of such service equal to 4.~~874~~549 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service. However, a Transmission Customer shall purchase an amount of Spinning Reserve Service equal to 50 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service when the scheduled generation is determined by the Transmission Provider to be the most-severe-single contingency of the Transmission Provider during

the period of time in which service is provided. The billing determinants for this service shall be reduced by any portion of the percent purchase obligation that a Transmission Customer obtains from third-parties or supplies itself.

2. **Compensation for Spinning Reserve Service:**

All Transmission Customers required to acquire Spinning Reserve Service shall pay a charge invoiced monthly equal to the amount set forth below.

Schedule 5 – Operating Reserve – Spinning Reserve Service

Service	Period	~~5.445~~4.549% Purchase Requirement or 50% Purchase Requirement Rates
Hourly	On-Peak	$~~39.281~~32.957/MWh
Hourly	Off-Peak	$~~18.654~~15.651/MWh
Daily	Full	$0.~~449~~377/kW-day
Weekly	Full	$~~3.142~~2.637/kW-wk
Monthly	Full	$~~13.617~~11.425/kW-mo
Yearly	Full	$~~163.408~~137.103/kW-yr

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. The Transmission Provider must offer this service when the transmission service is used: (a) to serve load within its Control Area and (b) to support sales from generators located within its Control Area. The Transmission Customer must either purchase this service from the 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 Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

1. **Supplemental Reserve Service Requirements:**

The Transmission Customer may purchase Supplemental Reserve Service under this Tariff to satisfy its supplemental reserve obligations commensurate with the amount of Reserved Capacity purchased from the Transmission Provider. Specifically, the

Transmission Customer's total load within the Transmission Provider's Control Area shall not exceed the Transmission Customer's Reserved Capacity, and the Transmission Provider shall have no obligation to provide this service for any other loads of the Transmission Customer.

If supplemental reserves are provided by any party other than the Transmission Provider, sufficient transmission capacity shall be purchased to provide for the delivery of supplemental reserves under any credible single contingency.

The Transmission Customer shall identify in its Application the manner by which it intends to provide for supplemental reserves. The use of any resources owned by parties other than the Transmission Provider as supplemental reserve resources shall be subject to verification by the Transmission Provider, and such resources shall conform to applicable WECC and NERC criteria for supplemental reserves.

A Transmission Customer purchasing Supplemental Reserve Service will be required to purchase an amount of such service equal to 4.~~874~~549 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service. However, a Transmission Customer shall purchase an amount of Supplemental Reserve Service equal to 50 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service when the scheduled generation is determined by the Transmission Provider to be the most-severe-single contingency of the Transmission Provider during the period of time in which service is provided. The billing determinants

for this service shall be reduced by any portion of the percent purchase obligation that a Transmission Customer obtains from third-parties or supplies itself.

2. **Compensation for Supplemental Reserve Service:**

All Transmission Customers required to acquire Supplemental Reserve Service shall pay a charge invoiced monthly equal to the amount set forth below.

Schedule 6 – Operating Reserve – Supplemental Reserve Service

Service	Period	~~5.445~~4.549% Purchase Requirement or 50% Purchase Requirement Rates
Hourly	On-Peak	$~~11.585~~9.484/MWh
Hourly	Off-Peak	$~~5.502~~4.504/MWh
Daily	Full	$0.~~132~~108/kW-day
Weekly	Full	$0.~~927~~759/kW-wk
Monthly	Full	$~~4.016~~3.288/kW-mo
Yearly	Full	$~~48.196~~39.455/kW-yr

SCHEDULE 7

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

A. Rates: The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

1) **Yearly delivery**: one-twelfth of the demand charge of $~~62.843~~49.630/kW of Reserved Capacity per year.

2) **Monthly delivery**: $~~5.237~~4.136/kW of Reserved Capacity per month.

3) **Weekly delivery**: $~~1.209~~0.954/kW of Reserved Capacity per week.

4) **Daily delivery**: $0.~~173~~136/kW of Reserved Capacity per day.

5) **On-Peak Hourly delivery**: $~~15.107~~11.930/MW of Reserved Capacity per hour.

6) **Off-Peak Hourly delivery**: $~~7.174~~5.666/MW of Reserved Capacity per hour.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts or megawatts of Reserved Capacity in any day during such week. The basic charge for Hourly delivery shall not exceed the price per megawatts of Reserved Capacity per hour specified in sections (5) or (6) above during on-peak and off-peak hours, respectively. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (4) above for Daily delivery times the highest

amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (3) above for Weekly delivery times the highest amount in kilowatts of Reserved Capacity in any hour during such week. For purposes of Hourly Delivery under this Schedule 7, "on-peak" hours shall be hours ending 07:00 through 22:00 PPT, Monday through Saturday excluding holidays, and "off-peak" hours shall be all other hours.

B. Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the 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, the 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.

C. 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

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

1) **Monthly delivery**: $~~5.2374~~4.136/kW of Reserved Capacity per month.

2) **Weekly delivery**: $~~1.2090~~0.954/kW of Reserved Capacity per week.

3) **Daily delivery**: $0.~~173~~136/kW of Reserved Capacity per day.

4) **On-Peak Hourly delivery**: $~~15.107~~11.930/MW of Reserved Capacity per hour.

5) **Off-Peak Hourly delivery**: $~~7.174~~5.666/MW of Reserved Capacity per hour.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week. The basic charge for Hourly delivery shall not exceed the price per megawatts of Reserved Capacity per hour specified in sections (4) or (5) above during on-peak and off-peak hours, respectively. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (4) or (5) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate

specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week. For purposes of Hourly Delivery under this Schedule 8, "on-peak" hours shall be hours ending 7:00 through 22:00 PPT, Monday through Saturday excluding holidays, and "off-peak" hours shall be all other hours.

B. Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the 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, the 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.

C. 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

This Schedule 9 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended. In accordance with Section 9 of Attachment O of this Tariff, Schedule 9A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended.

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the LADWP EIM Entity BAA that is not an LADWP EIM Participating Resource, and the resource component of the Transmission Customer Base Schedule from that generator to (1) a load external to the LADWP EIM Entity BAA or (2) a load within the LADWP EIM Entity BAA over a single hour. The 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 Control Area. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator.

The Transmission Provider shall establish charges for Generator Imbalance Service as follows (the following provisions do not apply to Transmission Customers which have received a Manual Dispatch or EIM Available Balancing Capacity dispatch

or which have communicated physical changes in the output of resources to the MO):

A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer's metered generation compared to the resource component of the Transmission Customer Base Schedule settled as UIE by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff.

The following provisions shall apply to Transmission Customers which have received a Manual Dispatch or EIM Available Balancing Capacity dispatch, or which have communicated physical changes in the output of resources to the MO or for other reasons imbalance energy is calculated by the MO:

(1) (a) A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer's metered generation compared to the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in the FMM or for other instructions by the MO, as UIE calculated by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B)

of the MO Tariff; or

(b) A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer's metered generation compared to the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in RTD or for other instructions by the MO, as UIE calculated by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff;

and

(2) (a) A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of either the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in the FMM or for other instructions by the MO, compared to the resource component of the Transmission Customer Base Schedule, as IIE calculated by the MO for the period of the deviation at the applicable PNode FMM price where the generator is located, as determined by the MO under

Section 29.11(b)(1)(A)(ii) of the MO Tariff; or

(b) Generator Imbalance Service measured as the deviation of either the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in RTD or for other instructions by the MO, compared to the FMM schedule, as IIE calculated by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(2)(A)(ii) of the MO Tariff.

Applicability to Interconnection Customers: To the extent the Interconnection Customer is a different entity than the Transmission Customer and controls the output of a generator located in the Transmission Provider's Control Area, the Interconnection Customer may be subject to charges for Generator Imbalance Service (rather than the Transmission Customer) in accordance with this Schedule 9.

SCHEDULE 9A

Generator Imbalance Service when EIM Suspended

In accordance with Section 10 of Attachment O of this Tariff, this Schedule 9A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended. Schedule 9 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended.

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Provider's Control Area and a delivery schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider's Control Area over a single hour. An Interconnection Customer, as defined in Attachment M or N of the Tariff, as applicable, must pay imbalance charges in accordance with this Schedule. The 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 Control Area.

The Transmission Customer must either purchase this service from the 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 Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to

reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator. The 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 Transmission Provider shall charge for Generator Imbalance Service based on the deviation bands as follows:

(i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, using the Hourly Pricing Proxy;

(ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent the Hourly Pricing Proxy for under-scheduling or 90 percent of the Hourly Pricing Proxy for over-scheduling; and

(iii) deviations greater than +/- 7.5 percent (or greater than 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that

occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of the Hourly Pricing Proxy for under-scheduling or 75 percent of the Hourly Pricing Proxy for over-scheduling, except that an intermittent resource will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5 percent or 2 MW. An intermittent resource, for the limited purpose of this Schedule is an electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security constraints.

Hourly Pricing Proxy: For purposes of this Schedule, "Hourly Pricing Proxy" is defined as the average price for each hour of the delivered energy price at SP15 day-ahead Index. In the event the referenced index price is negative, the referenced index price shall be deemed to be zero dollars ($0). At the end of each month, the Transmission Provider shall calculate the Hourly Pricing Proxy using pricing information from Dow Jones, the California ISO or another authenticated source.

Notwithstanding the foregoing, deviations from scheduled transactions in order to respond to directives by the Transmission Provider, a Control Area, or a reliability coordinator shall not be subject to the deviation bands identified above and, instead, shall be settled financially, at the end of the month, at 100 percent of the Hourly Pricing Proxy. Such directives may include instructions to correct frequency decay, respond to a reserve

sharing event, or change output to relieve congestion.

SCHEDULE 10

Generator Regulation and Frequency Response Service

Generator 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). Generator 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/or by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in generation output. The obligation to maintain this balance between resources and the generator's schedule lies with the Transmission Provider (or the Control Area that performs this function for the Transmission Provider).

The Transmission Provider (or the Control Area that performs this function for the Transmission Provider) must offer this service when transmission service is used to deliver energy from a generator physically or electrically located within the Transmission Provider's Control Area. Generator Regulation and Frequency Response Service applies to the extent that a Transmission Customer is not already subject to Regulation and Frequency Response Service provided under Schedule 3 for the same Reserved Capacity. The Transmission Customer must either purchase this service from the Transmission

Provider or make alternative comparable arrangements, which may include use of non-generation resources or processes capable of providing this service, to satisfy its Generator Regulation and Frequency Response Service obligation.

The amount of and charges for Generator Regulation and Frequency Response Service are set forth below. To the extent a Control Area performs this service for the Transmission Provider, charges to the Transmission Customer or generator are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area. The Transmission Provider may not charge a Transmission Customer for service under both Schedule 3 and Schedule 10 for the same Reserved Capacity.

1. **Generator Regulation and Frequency Response Service Requirements**:

The Transmission Customer or generator shall identify in its Application the manner by which it intends to provide for Generator Regulation and Frequency Response Service. The use of any resources owned by parties other than the Transmission Provider shall conform to applicable the Western Electricity Coordinating Council (WECC) and the North American Electric Reliability Council (NERC) criteria.

A Transmission Customer or generator delivering energy outside of the Transmission Provider's Control Area from a dispatchable generation resource and purchasing Generator Regulation and Frequency Response Service will be required to purchase such service based on ~~2.256~~1.885 percent of the maximum name plate capacity of the generator.

A Transmission Customer delivering energy from a non-dispatchable generating resource: (a) to load in the Transmission Provider's Control Area, or (b) outside of the Transmission Provider's Control Area, shall in each case purchase Generator Regulation and Frequency Response Service based on 14.272 percent of the maximum name plate capacity of the generator.

The billing determinants for this service shall be reduced by any portion of the purchase obligation that a Transmission Customer or generator obtains from third-parties or supplies itself.

2. Compensation to for Generator Regulation and Frequency Response Service:

All Transmission Customers required to acquire Generator Regulation and Frequency Response Service shall pay a charge invoiced monthly equal to the amount set forth below.

Schedule 10 – Generator Regulation and Frequency Response Service

Service	Period	1.885% Purchase Requirement (Note 1) Rates	14.272% Purchase Requirement (Note 1) Rates
Hourly	On-Peak	$~~39.914~~33.479/MWh	$~~39.914~~33.479/MWh
Hourly	Off-Peak	$~~18.955~~15.898/MWh	$~~18.955~~15.898/MWh
Daily	Full	$0.~~456~~383/kW-day	$0.~~456~~383/kW-day
Weekly	Full	$~~3.193~~2.678/kW-wk	$~~3.193~~2.678/kW-wk
Monthly	Full	$~~13.837~~11.606/kW-mo	$~~13.837~~11.606/kW-mo
Yearly	Full	$~~166.041~~139.271/kW-yr	$~~166.041~~139.271/kW-yr

Note 1: ~~2.256~~1.885% Purchase Requirement applies when using a dispatchable generation resource. 14.272% Purchase Requirement applies when using a non-dispatchable generation resource.

SCHEDULE 11

Unreserved Use of Transmission Service

Subject to Attachment O, Section 8.7 of this Tariff, the Transmission Provider will impose an Unreserved Use charge and penalty in any circumstance where the 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 11, and in accordance with Section 13.4 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, the 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 and penalty. The Transmission Provider will calculate unreserved use penalties as follows:

1. The penalty for a single hour of Unreserved Use is two times the 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;
2. More than one Unreserved Use penalty assessment for service of a given duration will increase the penalty period to the next longest duration (e.g., hourly to daily, daily to weekly, weekly to monthly), with the penalty being two times the Transmission Provider's rate in effect at the time of the Unreserved Use for Firm

Point-To-Point Transmission Service for the applicable service duration; and

3. For the actual period of Unreserved Use, the Transmission Provider will charge the Eligible Customer for any ancillary services associated with the customer's Unreserved Use pursuant to the terms of Schedules 1, 2, 3, 4, 5, 6, 8, 9 and 10 of the Tariff.

SCHEDULE 12

Real Power Losses

This Schedule 12 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended. In accordance with Section 10 of Attachment O of this Tariff, Schedule 12A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended.

The Transmission Customer taking Network Integration Transmission Service, Firm Point-to-Point, or Non-Firm Point-to-Point Transmission Service, excluding Energy Imbalance Service and Generator Imbalance Service, shall reimburse the Transmission Provider for Real Power Losses as provided in Sections 15.7 and 28.5 of this Tariff. The Transmission Customer must financially settle for Real Power Losses by reimbursement as specified herein.

Settlement of Real Power Losses associated with Energy Imbalance Service shall be pursuant to Schedule 4 of this Tariff, and settlement of Real Power Losses associated with Generator Imbalance Service shall be pursuant to Schedule 9 of this Tariff. The procedures to determine the amount of Real Power Losses associated with a Transmission Customer's Base Schedule, as well as the reimbursement for Real Power Losses, are set forth below.

The amount of Real Power Losses assessed to a Transmission Customer in a given hour shall be the product of such Transmission Customer Base Schedule during the hour in MWhs and the applicable loss factor(s) provided in Sections 15.7 and 28.5.

The Transmission Customer shall compensate the Transmission Provider at a rate equal to the amount of Real Power Losses assessed to such Transmission Customer in a given hour multiplied by the hourly LAP price for the LADWP EIM Entity BAA in that hour as established by the MO under section 29.11 (b)(3)(C) of the MO Tariff.

Department of Water and Power
of the City of Los Angeles

Open Access Transmission Tariff
Original Sheet No. - 1 -

SCHEDULE 12A

Real Power Losses when EIM Suspended

In accordance with Section 10 of Attachment O of this Tariff, this Schedule 12A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended. Schedule 12 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended.

Transmitting electricity at high voltage results in fractional energy lost due to resistance, which varies depending on voltage level and length of the transmission element. For any transmission service, there is an associated real power loss.

1. Loss Path

Transmission Customer acquiring Firm, or Non-Firm Point-to-Point Transmission Service or Network Integration Transmission Service shall reimburse Transmission Provider for Real Power Losses that result from transmitting electric energy across the Transmission Provider's Transmission System and such Real Power Losses will be assessed based on the Real Power Loss factor associated with the following paths:

a. Any path using the Pacific Direct Current Intertie or Intermountain Power Project Direct Current transmission line; or

b. Any path using the Palo Verde and Sylmar segments; or

c. Any path using alternating current segments.

2. Loss Settlement

Real Power Losses shall be the percentage identified in Section 15.7 and/or Section 28.5 of the Tariff, as applicable, multiplied by Transmission Customer's usage (measured in MWhs) as measured by the revenue-quality meter(s) installed at the Point(s) of Receipt during each hour less any curtailments, correction or adjustments mutually agreed on by Transmission Provider and Transmission Customer.

Transmission Customer shall compensate the Transmission Provider for each hour of service provided at a rate equal to the Hourly Pricing Proxy as defined in Schedule 4A or 9A.

Attachment E

Final Cost of Service Model.

LADWP

FINAL OATT TRANSMISSION AND ANCILLARY SERVICES RATE MODEL



TEST YEAR:
FISCAL YEAR 2019-20

March 2022

Prepared by:
SubTask 13 Team

Draft

	A	B	C	D	E	F	G	H
1	**Los Angeles Department of Water and Power**							
2	**Statement**						**Detail for Production and Transmission Rate Base Components**	
3	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**							
4	**(in Thousands of Dollars)**						13 month Weighted Average Data	
5								
6							FY 2019-20	
7	**Legend**						Months	Year
8	Blue = Input costs						June	2019
9	Green = from another tab						July	2019
10	Black = equation						August	2019
11	Allocation Factors						September	2019
12	Red = Calculation checks						October	2019
13	**Bold numbers** = flow through to statement BK						November	2019
14	Gray = Subtotals of certain columns						December	2019
15							January	2020
16							February	2020
17							March	2020
18	**Model Assumptions**						April	2020
19	User can choose the depreciation expense assumptions below						May	2020
20							June	2020
21	Depreciation Expense	New Rates	Use drop down					
22								
23								
24	**Tab Descriptions**						**Receiving Station Study Reclassifications**	
25							Distribution Allocation	53.62%
26	**Tab**	**Description of Tabs**		**Error Check**			Production Allocation	0.86%
27	Cover Page						Transmission Allocation	45.53%
28	Control Sheet	Description of Tabs, Cost Statements, and Ancillary Services		N/A			Total	100.00%
29	Generator Ancillary Services (AS) Matrix	Characteristics of Generating Stations such as which Generating Stations contribute to Ancillary Services		N/A			Source: Dec 15, 2021 LADWP Memo	
30	Statement AD:	AD Plant In Service		Good			*Revised Allocation of CBs and Transformers July 06, 2023	
31	Statement AE:	AE Accumulated Depreciation and Amortization (Accum Deprec)		Good				
32	Statement AF:	AF Specified Deferred Credits [CIAC]		N/A				
33	Statement AG:	AG Specified Plant Accounts and Deferred Debits		N/A				
34			Land Held For Future Use (Production)	N/A				
35			Acquisition Adjustment for Palo Verde	N/A				
36			Construction Work in Progress included in rate base	Good				
37	Statement AH:	AH O&M Expenses by FERC Primary Account		Good				
38	Statement AI:	AI O&M Labor Expense		Good				
39	Statement AJ:	AJ Depreciation and Amortization Expenses as booked for FY 18/19		Good				
40	Statement AJ - New Rates	AJ Depreciation and Amortization Expenses - New Depreciation Accruals		Good				
41	Statement AK:	AK Taxes Other than Income Taxes		Good				
42	Statement AL:	AL Working Capital		Good				
43	Statement AM:	AM Construction Work in Progress (CWIP) not included in rate base		N/A				
44	Statement AU:	AU Revenue Credits		N/A				
45	Statement AV:	AV Cost of Capital		N/A				
46	Statement AW:	AW Cost of Short Term Debt		N/A				
47	Statement BB:	BB Rate Divisor		N/A				
48	Statement BK	BK Cost of Service by Generation Stations and Transmission		Good				
49			Generating Stations COS assigned to each Ancillary Service Schedule	N/A				
50	Statement BL	BL Derivation of Ancillary Service Schedule Rate Design using data from BK		N/A				
51	Statement BM	BM Construction Program Statement		N/A				
52	Allocation Factors	Allocation Factors Used in the COSS		N/A				
53	7 Factor Test Summary	Summary of the Transmission Costs that are reclassified to other functions per the 7 Factor test		Good				
54	Haynes Rate Base	Used to derive values for Haynes units 11-16 which are used in Schedule 6		Good				
55	Haynes Expense	Used to derive values for Haynes units 11-16 which are used in Schedule 6		Good				
56	Scattergood Rate Base	Used to derive values for Scattergood units 6-7 which are used in Schedule 6		Good				
57	Scattergodd Expense	Used to derive values for Scattergood units 6-7 which are used in Schedule 6		Good				
58	San Francisquito 2	Used to derive Unit 1 costs to remove from cost of service		Good				
59	Valley	Used to derive the 13 month average balance for gross plant and accumulated depreciation for Valley retired units		Good				
60	Harbor	Used to derive the 13 month average balance for gross plant and accumulated depreciation for Harbor retired units		Good				
61	Castaic	Used to derive Castaic costs for unit 7		Good				
62	Unit Data	Unit data used to derive reactive power calculations		N/A				
63	Fixed Charge Rate & VAR Alloc	Used to derive the fixed charge rate		N/A				
64	Source Investment Data	Plant data used to derive reactive power calculations		Good				

Los Angeles Department of Water and Power
Generator Ancillary Services (AS) Matrix
Description of Tabs, Cost Statements, and Ancillary Services
Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)

B. Ancillary Services Matrix Provided by LADWP

Note: Although a Schedule 10 column is not shown below, all units that provide Schedule 3 service also provide Schedule 10 service.

LA DWP Los Angeles Department of Water & Power

CITY OF LOS ANGELES - DEPARTMENT OF WATER AND POWER

GENERATION RATINGS AND CAPACITIES OF POWER SOURCES - SCHEDULE 6 [1]

(Based on Information Available as of January 10, 2020)

HYDROELECTRIC

NAME OF GENERATING FACILITY	UNIT NO.	DATE FIRST CARRIED SYSTEM LOAD	GENERATOR NAMEPLATE (kVA)	GENERATOR NAMEPLATE (kW)	NET MAXIMUM UNIT CAPACITY[2] (kW)	NET MAXIMUM PLANT CAPACITY[3] (kW)	NET DEPENDABLE PLANT CAPACITY[4] (kW)	NET ANNUAL GENERATION (MWh)	ANCILLARY PROVIDED BY Please check one S2	S3	S5	S6	AGC Yes/No	AVC Yes/No
Upper Gorge Power Plant	1	06/15/1953	37,500	37,500	36,500	[A] 110,500	40,300	75,404	X	x	X	X	No	Yes
Middle Gorge Power Plant	1	05/11/1952	37,500	37,500	37,500			67,040	X	x	X	X	No	Yes
Control Gorge Power Plant	1	04/01/1952	37,500	37,500	37,500			65,103	X	x	X	X	No	Yes
Pleasant Valley Power Plant	1	02/05/1958	4,000	3,200	2,700	2,700	[E][F] 4,300	6,830					No	No
Big Pine Power Plant	1	07/29/1925	4,000	3,200	3,050	[B] 3,050		3,784					No	No
Division Creek Power Plant	1	03/22/1909	750	600	680	680		0					No	No
Cottonwood Power Plant	1	11/13/1908	937	750	1,200	[C] 1,800		0					No	No
	2	10/13/1909	937	750	1,200			0					No	No
Haiwee Power Plant	1	07/18/1927	3,500	2,800	2,500	[D] 3,600		(48)					No	No
	2	07/18/1927	3,500	2,800	2,500			(7)					No	No
San Francisquito Power Plant 1	1A	12/10/1983	25,000	22,500	27,000	[G] [H] 61,000	26,100	80,198	X	X			No	Yes
	3	04/16/1917	11,720	9,962	11,000			111	X	X			No	Yes
	4	05/21/1923	12,500	10,625	12,000			9,062	X	X			No	Yes
	5A	04/09/1987	25,000	22,500	27,000			118,604	X	X			No	Yes
San Francisquito Power Plant 2	1	07/06/1919	17,500	14,000	0			0					No	Yes
	2	08/07/1919	17,500	14,000	14,400			3,325	X	X			No	Yes
	3	12/02/2006	20,000	18,000	16,000			38,612	X	X			No	Yes
San Fernando Power Plant	1	10/22/1922	3,500	2,800	3,250	[I] 6,000		9					No	No
	2	10/22/1922	3,500	2,800	3,000			5,840					No	No
Foothill Power Plant	1	10/06/1971	11,000	8,800	8,600	[J] 8,600		21,898		X			No	No
Franklin Power Plant	1	06/03/1921	2,500	2,000	2,000	2,000		(3)					No	No
Sawtelle Power Plant	1	06/05/1986	711	640	650	650		0					No	No
TOTAL HYDROELECTRIC						198,080	70,700	495,762						

PUMPED STORAGE

NAME OF GENERATING FACILITY	UNIT NO.	DATE FIRST CARRIED SYSTEM LOAD	GENERATOR NAMEPLATE (kVA)	GENERATOR NAMEPLATE (kW)	NET MAXIMUM UNIT CAPACITY[2] (kW)	NET MAXIMUM PLANT CAPACITY[3] (kW)	NET DEPENDABLE PLANT CAPACITY[4] (kW)	NET ANNUAL GENERATION (MWh)	ANCILLARY PROVIDED BY Please check one S2	S3	S5	S6	AGC Yes/No	AVC Yes/No
Castaic Power Plant	1	07/11/1973	287,500	271,000	270,500	[K] 1,265,000	[L] 1,265,000	105,100	X	X	X	X	Yes	Yes
	2	07/09/1974	287,500	271,000	270,500			(13,498)	X	X	X	X	Yes	Yes
	3	07/13/1976	287,500	271,000	270,500			70,953	X	X	X	X	Yes	Yes
	4	06/16/1977	287,500	271,000	270,500			0	X	X	X	X	Yes	Yes
	5	12/16/1977	287,500	271,000	270,500			86,136	X	X	X	X	Yes	Yes
	6	08/11/1978	287,500	271,000	270,500			(23,109)	X	X	X	X	Yes	Yes
	7	01/27/1972	70,000	56,000	51,500			1,331					Yes	Yes
TOTAL PUMPED STORAGE						1,265,000	1,265,000	226,914						

Los Angeles Department of Water and Power
Generator Ancillary Services (AS) Matrix
Description of Tabs, Cost Statements, and Ancillary Services
Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)

BIOMASS

NAME OF GENERATING FACILITY	UNIT NO.	DATE FIRST CARRIED SYSTEM LOAD	GENERATOR NAMEPLATE (kVA)	GENERATOR NAMEPLATE (kW)	NET MAXIMUM UNIT CAPACITY[2] (kW)	NET MAXIMUM PLANT CAPACITY[3] (kW)	NET DEPENDABLE PLANT CAPACITY[4] (kW)	NET ANNUAL GENERATION (MWh)	ANCILLARY PROVIDED BY Please check one S2	S3	S5	S6	AGC Yes/No	AVC Yes/No
Bradley Landfill								0						
Lopez Canyon Landfill								0						
TOTAL BIOMASS								0						

IN-BASIN THERMAL

NAME OF GENERATING FACILITY	UNIT NO.	DATE FIRST CARRIED SYSTEM LOAD	GENERATOR NAMEPLATE (kVA)	GENERATOR NAMEPLATE (kW)	NET MAXIMUM UNIT CAPACITY[2] (kW)	NET MAXIMUM PLANT CAPACITY[3] (kW)	NET DEPENDABLE PLANT CAPACITY[4] (kW)	NET ANNUAL GENERATION (MWh)	ANCILLARY PROVIDED BY Please check one S2	S3	S5	S6	AGC Yes/No	AVC Yes/No
Harbor Generating Station	1	01/31/1995	100,400	85,340	78,000	[M] 443,000	422,000	22,620	X	X	X		Yes	Yes
	2	01/31/1995	100,400	85,340	78,000			19,098	X	X	X		Yes	Yes
	5	01/31/1995	93,750	75,000	60,000			16,964	X	X	X		Yes	Yes
	10	01/04/2002	71,176	60,500	47,400			5,749	X	X	X		Yes	Yes
	11	01/04/2002	71,176	60,500	47,400			5,839	X	X	X		Yes	Yes
	12	01/04/2002	71,176	60,500	47,400			5,167	X	X	X		Yes	Yes
	13	01/04/2002	71,176	60,500	47,400			5,070	X	X	X		Yes	Yes
	14	01/04/2002	71,176	60,500	47,400			5,717	X	X	X		Yes	Yes
Haynes Generating Station	1	09/02/1962	270,000	229,500	222,000	[N] 1,614,200	[O] [P] [Q] 1,551,000	71,796	X	X	X		Yes	Yes
	2	04/07/1963	270,000	229,500	222,000			40,986	X	X	X		Yes	Yes
	8	01/25/2005	311,000	264,350	250,000			986,026	X	X	X		Yes	Yes
	9	01/25/2005	215,000	182,750	162,500			845,919	X	X	X		Yes	Yes
	10	01/25/2005	215,000	182,750	162,500			824,129	X	X	X		Yes	Yes
	11	06/11/2013	127,282	108,190	99,200			111,457	X	X	X	X	Yes	Yes
	12	06/12/2013	127,282	108,190	99,200			34,876	X	X	X	X	Yes	Yes
	13	06/12/2013	127,282	108,190	99,200			98,703	X	X	X	X	Yes	Yes
	14	06/19/2013	127,282	108,190	99,200			36,351	X	X	X	X	Yes	Yes
	15	06/12/2013	127,282	108,190	99,200			88,103	X	X	X	X	Yes	Yes
	16	06/12/2013	127,282	108,190	99,200			109,151	X	X	X	X	Yes	Yes
Scattergood Generating Station	1	12/07/1958	192,000	163,200	107,000	[R] 778,250	[S] 759,000	45,865	X	X	X		Yes	Yes
	2	07/01/1959	192,000	163,200	156,250			81,925	X	X	X		Yes	Yes
	4	10/09/2015	255,200	216,920	206,000			673,593	X	X	X		Yes	Yes
	5	11/15/2015	139,882	118,900	107,000			333,572	X	X	X		Yes	Yes
	6	08/09/2015	125,765	106,900	102,000			76,005	X	X	X	X	Yes	Yes
	7	09/23/2015	125,765	106,900	102,000			57,044	X	X	X	X	Yes	Yes
Valley Generating Station	5	08/17/2001	71,176	60,500	43,000	576,000	[T] 530,000	7,134	X	X	X		Yes	Yes
	6	09/04/2003	215,000	182,750	162,000			501,895	X	X	X		Yes	Yes
	7	09/09/2003	215,000	182,750	162,000			447,194	X	X	X		Yes	Yes
	8	11/13/2003	311,000	264,350	209,000			561,969	X	X	X		Yes	Yes
TOTAL IN-BASIN THERMAL (Based on natural gas fuel ratings)						3,411,450	3,262,000	6,119,918						

EXTERNAL ENERGY RESOURCES

NAME OF GENERATING FACILITY	UNIT NO.	DATE FIRST CARRIED SYSTEM LOAD	GENERATOR NAMEPLATE (kVA)	GENERATOR NAMEPLATE (kW)	NET MAXIMUM UNIT CAPACITY[2] (kW)	NET MAXIMUM PLANT CAPACITY[3] (kW)	NET DEPENDABLE PLANT CAPACITY[4] (kW)	NET ANNUAL GENERATION (MWh)	SERVICES SCHEDULES Please check one S2	S3	S5	S6	AGC Yes/No	AVC Yes/No
Intermountain Generating Station	1	06/09/1986	991,000	950,000	900,000	1,202,000	[U] 1,202,000	2,124,253	X	X	X		Yes	Yes
	2	04/30/1987	991,000	950,000	900,000			2,079,569	X	X	X		Yes	Yes
Palo Verde Nuclear Generating Station	1	01/30/1986	1,559,100	1,413,190	1,333,000	386,690	[V] 380,410	1,127,333					No	Yes
	2	09/19/1986	1,559,100	1,413,190	1,336,000			989,106					No	Yes
	3	01/19/1988	1,559,100	1,413,190	1,334,000			937,280					No	Yes
Apex Generating Station	1A	03/28/2014	239,000	203,150	168,075	577,500	[W][X] 482,600	924,671		X	X		Yes	Yes
	1B	03/31/2014	239,000	203,150	168,075			956,337		X	X		Yes	Yes

Los Angeles Department of Water and Power
Generator Ancillary Services (AS) Matrix
Description of Tabs, Cost Statements, and Ancillary Services
Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)

STG	03/28/2014	284,000	237,600	229,879							X	X	Yes	Yes			
Hoover Power Plant	(Energy purchased from WAPA through Sep 2067) [Y]					496,000	281,683	498,317			X	X	Yes	Yes			
TOTAL EXTERNAL ENERGY RESOURCES						2,662,190	2,346,693	10,524,946									

SYSTEM SUMMARY

SYSTEM SUBTOTAL NET CAPACITY AND ENTITLEMENTS	NET MAXIMUM PLANT CAPACITY[3] (kW)	NET DEPENDABLE PLANT CAPACITY[4] (kW)	NET ANNUAL GENERATION (MWh)	SERVICES PROVIDED BY Please check one S2	S3	S5	S6	AGC Yes/No	AVC Yes/No
Subtotal Net Capacity of the System	7,536,720	6,944,393	17,367,539						
California Department of Water Resources (CDWR) Entitlement [Z]	(120,000)	(40,739)	(346,958)						
TOTAL NET CAPACITY OF THE SYSTEM	7,416,720	6,903,654	17,020,581						

WIND, SOLAR, AND ENERGY STORAGE

NAME OF GENERATING FACILITY	UNIT NO.	DATE FIRST CARRIED SYSTEM LOAD	GENERATOR NAMEPLATE (kVA)	GENERATOR NAMEPLATE (kW)	NET MAXIMUM UNIT CAPACITY[2] (kW)	NET MAXIMUM PLANT CAPACITY[3] (kW)	NET DEPENDABLE PLANT CAPACITY[4] (kW)	NET ANNUAL GENERATION (MWh)	ANCILLARY PROVIDED BY Please check one S2	S3	S5	S6	AGC Yes/No	AVC Yes/No
Linden Wind Power Plant	1-25	6/30/2010	2,189	2,080	2,000	50,000	[AA][AB] 5,000	127,110						
Pine Tree Wind Power Plant	1-90	6/14/2009	1,739	1,565	1,500	135,000	[AA] 13,500	262,050					No	No
Adelanto Solar Power Plant	1-13	06/30/2012	800	800	800	10,400	[AB] 2,808	13,315					No	No
Pine Tree Solar Power Plant	1-17	03/15/2013	500	500	500	8,500	[AB] 2,295	11,660						
Beacon Battery Energy Storage System	-	08/01/2018	25,000	20,340	20,000	20,000	[AC] 20,000	48		X				
Wholesale Energy Purchases [AE]	-	-	-	-	-	-	-	3,743,471						
Wholesale Green Energy Purchases [AF]	-	-	-	-	-	-	-	3,264,186						

(1) Power sources included are LADWP's wholly-owned and operated in-basin gas-fired thermal, pump storage, small hydro (excluding North Hollywood Power Plant), wind (Pine Tree, Linden), and solar (Pine Tree, Adelanto) generation, and battery storgage (Beacon). Also included are the following specific jointly-owned and operated power sources acquired through power purchase agreements or entitlements: coal-fired (Intermountain), nuclear-fueled (Palo Verde), gas-fired (Apex) thermal generation, and large hydro generation (Hoover). Renewable power purchase agreements (PPAs), market power purchases, and distributed generation are not included.

(2) Maximum Unit Capacity can be attained only when the weather and equipment are simultaneously at optimum conditions. Hydro power plants' Maximum Unit and Plant Capacity are values based on historical data, or benchmarking values based on water flow through the turbine. Thermal units Maximum Unit and Plant Capacities were provided by Unit Guide Sheets unless otherwise stated.

(3) Net Maximum Plant Capacity for hydro power plants is limited by water flow limits; for in-basin thermal generation and wind power plants it is determined by the sum of the plant's Net Maximum Unit Capacity; and for external thermal generation it is determined by LADWP's power purchase entitlement share.

(4) Net Dependable Plant Capacity reflects year-round output capability. Net Dependable Unit Capacity for small hydro units are calculated from the last 5 years of net actual generation over the units' available hours. In-Basin Net Dependable Capacities are calculated from the top five highest peak load days for the years 2016-2018 where ambient temperatures exceeded 80 degrees Fahrenheit. Net Dependable Capacity Data for conventional boiler units (Scattergood Generating Station (SGS), Unit 2 and Haynes Generating Station (HnGS), Unit 1) were determined by the load limits placed on the units by the Energy Control Center/Plant Engineers due to equipment limitations. Net Dependable Capacity Data for SGS, Unit 1 was derived from data from other summertime dates. The Net Dependable Capacity for HnGS, Unit 2 was derived from data following a major rotor repair completed in November 2019. Apex Net Dependable was provided in the 2018 Unit Guide Sheet for Summer. Net Dependable Plant Capacity for PPAs reflect the Agreement.

[A] Upper Gorge (UG) Power Plant is limited to 36.5 MW due to tunnel losses. Owens Gorge Power Plants' Net Maximum Plant Capacity of 110.5 MW reflects a maximum generation output at UG of 35.5 MW, and 37.5 MW at Middle and Control Gorge Power Plants each when all three units are running. This is due to a lower effective head from a longer tunnel and venturi losses at UG to which the other two plants are not subjected. All the Owens Gorge Power Plants have black start capability, but they could not send power to the LA basin if the system was in a black out condition.

[B] Big Pine Power Plant's Net Maximum Unit Capacity is limited to a maximum flow through penstock.

[C] Cottonwood Power Plant, Units 1 and 2 were rewound to a higher Net Maximum Unit Capacity of 1.2 MW each. Net Maximum Plant Capacity is 1.8 MW due to limited maximum flow through the penstock.

[D] Net Maximum Unit Capacity for Haiwee Power Plant, Units 1 and 2, is 2.5 MW each when only one unit is running. However, when both units are running and feed is taken from North Haiwee Reservoir, the Net Maximum Plant Capacity is 3.6 MW. Haiwee Power Plant's Net Dependable Capacity is limited by Division of Safety of Dams (DOSD) reservoir level.

[E] Division Creek is out of service due to damage caused by a flash flood.

[F] Maximum unit and plant capacities are provided by Owens Valley Operations. None of the Haiwee, Cottonwood, Division Creek, Big Pine, and Pleasant Valley Power Plant units have black start capability.

[G] San Francisquito Power Plant 1 (PP1), Unit 3 rating is 60 Hz and 11,720 kVA instead of 50 Hz and 9,375 kVA as indicated on original nameplate. Unit 3 was rewound in 1980. Units 3 and 4 have black start capability. PP1 and San Francisquito Power Plant 2 (PP2) have a combined maximum net capacity of 61 MW due to downstream flow constraints.

[H] PP2, Unit 1 has been out of service since 1996. PP2, Unit 3 has a new generator rated at 18 MW with a refurbished turbine as of December 2, 2006. PP2, Unit 2 has blackstart capability. PP2 penstock is limited to 400 cfs. Due to penstock limitations, only Unit 3 is operated. Unit 2 is operated as a back-up to Unit 3.

[I] Net Maximum Plant Capacity for San Fernando Power Plant is 3.5 MW due to the main transformer being placed in open-delta configuration. One of the three transformers was removed because dissolved gases were detected. Plant has no black start capability.

S2: Reactive Supply and Voltage Control from Generation or Other Sources Service

S3: Regulation and Frequency Response Service

S5: Operating Reserve - Spinning Reserve Service

S6: Operating Reserve - Supplemental Reserve Service

AGC Plants with both Governor Reponse and Automatic Generation Control needed to provide Regulation and Frequency Response

AVC Automatic Voltage Control needed to provide Reactive Power

Los Angeles Department of Water and Power
Generator Ancillary Services (AS) Matrix
Description of Tabs, Cost Statements, and Ancillary Services
Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)

because dissolved gases were detected. Plant has no black start capability.

[J] Foothill Power Plant Rated Output is 8,800 kW but is limited to 8,600 kW due to maximum flow through the penstock of 275 cfs. Plant has no black start capability.

[K] Castaic Power Plant's Net Maximum Plant Capacity is limited by the maximum flow through Angeles Tunnel. Based on the latest test conducted in November 2011, Net Maximum Plant Capacity was rated at 1,265 MW at nominal hydraulic head of 1060 ft. Net Dependable Plant Capacity varies based on the Elderberry and Pyramid Lake water levels. The Castaic Power Plant units have completed modernization improvements as follows: Unit 2 in September 2004, Unit 6 in December 2005, Unit 4 in June 2006, Unit 5 in July 2008, Unit 3 in July 2009, Unit 1 in October 2013, and Unit 7 in August 2016. CPP Units 1-6 have black start capability.

[L] Castaic Power Plant's Net Dependable Plant Capacity is limited by the flow through Angeles Tunnel. Unit 7 is unavailable as a generator and synchronous condenser with an ETR of 12/31/2022.

[M] Harbor Generating Station (HGS), Units 1 and 2 Net Maximum Capacity is approximately 73 MW each due to gas turbine wear. Units 12 and 13 have black start capability.

[N] Per the Unit Guide Sheet, HnGS, Units 11-16 Net Maximum Unit Capacity of 595.2MW is attained when all six units are running as this is when the lowest average auxiliary power is being drawn per unit.

[O] HnGS, Unit 1 generation is limited to 212 MW due to an issue with the 'A' boiler feed pump temperature.

[P] HnGS Net Dependable Plant Capacity includes operating Units 9 and 10 with duct burners running.

[Q] HnGS, Units 3 and 4 were decommissioned in September 2004 and November 2003, respectively. HnGS, Units 5 and 6 were decommissioned in June 2013. None of the HnGS units have black start capability.

[R] SGS, Unit 1 was derated to a gross capacity of 111.8 MW as part of the Unit 3 Repowering Project, and operates at a net maximum capacity of 107 MW. The Net Max Capacity of the combined cycle is reduced by 2 MW when Unit 4 is run in a 1+1 configuration with Unit 5. None of the SGS units have black start capability.

[S] SGS, Unit 2 net dependable generation is limited to 146 MW due to low forced draft air fan flow.

[T] Valley Generating Station (VGS) Net Dependable Plant Capacity includes operating Units 6 and 7 with duct burners running. Unit 5 has black start capability.

[U] The LADWP entitlement for Intermountain Generating Station (IGS) is 44.617% direct ownership, plus a 4% purchase from Utah Power & Light Company (UP&L), plus 86.281% of up to 21.057% of muni's and co-op's recallable entitlement, which can vary. IGS Net Dependable Plant Capacity may be less than 1,202 MW due to muni's and co-op's recallable entitlement. None of the Intermountain Generating Station's units have black start capability.

[V] LADWP's entitlement is 9.66% of generation comprised of 5.7% direct ownership in Palo Verde Nuclear Generating Station and another 67% power purchase of Southern California Public Power Authority's (SCPPA's) 5.91% ownership of Palo Verde. Units 1, 2, and 3 Design Electrical Rating is used for Net Maximum Unit Capacity.

Los Angeles Department of Water and Power
Statement
AD Plant In Service
Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)
(in Thousands of Dollars)

Legend
Blue = Input costs
Green = from another tab
Black = equation
Allocation Factors
Red = Calculation checks
Bold numbers = flow through to statement BK
Gray = Subtotals of certain columns

Error Check	
Calculated Totals	$ 66,559,027
Check Totals	$ 66,559,027
Difference	$ -
Error Check	

A. TANK FARMS AND OTHER PLANT

The general ledger includes Tank Farms and Miscellaneous plant categories. The Marine and Olympic tank farms are leased to third parties and do not contribute to the LA Basin steam generating stations. The Tank Farms are therefore not included in revenue requirement.
Miscellaneous plant includes landfills that are not used and therefore not included in AS or Transmission revenue requirements.

A.1 Tank Farm and Other GL Plant

				General Ledger - Tank Farms			Other Accounts in General Ledger							
Months	Reference	Total Tank Farms and Other Accounts	Total Tank Farm	**Olympic Tank Farm**	**Marine Tank Farm**	Total Other Accounts	Hydro White Pine Land	Landfill 1	Land Fill 2	Landfill 3	Hydro Sawtelle Hydro Station	Malibu Land
June 2019	LADWP GL	$ 45,618	$ 43,578	$ 8,798	$ 34,781	$ 2,040	$ 1,425		$ 0			$ 615
July 2019	LADWP GL	$ 45,618	$ 43,578	$ 8,798	$ 34,781	$ 2,040	$ 1,425		$ 0			$ 615
August 2019	LADWP GL	$ 45,618	$ 43,578	$ 8,798	$ 34,781	$ 2,040	$ 1,425		$ 0			$ 615
September 2019	LADWP GL	$ 45,618	$ 43,578	$ 8,798	$ 34,781	$ 2,040	$ 1,425		$ 0			$ 615
October 2019	LADWP GL	$ 45,618	$ 43,578	$ 8,798	$ 34,781	$ 2,040	$ 1,425		$ 0			$ 615
November 2019	LADWP GL	$ 45,618	$ 43,578	$ 8,798	$ 34,781	$ 2,040	$ 1,425		$ 0			$ 615
December 2019	LADWP GL	$ 45,618	$ 43,578	$ 8,798	$ 34,781	$ 2,040	$ 1,425		$ 0			$ 615
January 2020	LADWP GL	$ 45,618	$ 43,578	$ 8,798	$ 34,781	$ 2,040	$ 1,425		$ 0			$ 615
February 2020	LADWP GL	$ 45,618	$ 43,578	$ 8,798	$ 34,781	$ 2,040	$ 1,425		$ 0			$ 615
March 2020	LADWP GL	$ 45,618	$ 43,578	$ 8,798	$ 34,781	$ 2,040	$ 1,425		$ 0			$ 615
April 2020	LADWP GL	$ 45,618	$ 43,578	$ 8,798	$ 34,781	$ 2,040	$ 1,425		$ 0			$ 615
May 2020	LADWP GL	$ 45,618	$ 43,578	$ 8,798	$ 34,781	$ 2,040	$ 1,425		$ 0			$ 615
June 2020	LADWP GL	$ 45,618	$ 43,578	$ 8,798	$ 34,781	$ 2,040	$ 1,425		$ 0			$ 615
Total 13 Months	$E$53=SUM(E39:E51)	$ 593,033	$ 566,518	$ 114,371	$ 452,147	$ 26,515	$ 18,521	$ -	$ 0	$ -	$ -	$ 7,994
13 Month Average	$E$55=+E53/13	$ 45,618	$ 43,578	$ 8,798	$ 34,781	$ 2,040	$ 1,425	$ -	$ 0	$ -	$ -	$ 615
Total Adjusted Miscellaneous Plant	$N$57=N55	$ 45,618	$ 43,578	$ 8,798	$ 34,781	$ 2,040	$ 1,425	$ -	$ 0	$ -	$ -	$ 615
Check		$ 45,618										

Los Angeles Department of Water and Power
Statement
AD Plant In Service
Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)
(in Thousands of Dollars)

Legend
Blue = Input costs
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Black = equation
Allocation Factors
Red = Calculation checks
Bold numbers = flow through to statement BK
Gray = Subtotals of certain columns

Error Check	
Calculated Totals	$ 66,559,027
Check Totals	$ 66,559,027
Difference	$ -
Error Check	

A. TANK FARMS AND OTHER PLANT

The general ledger includes Tank Farms and Miscellaneous plant categories. The Marine and Olympic tank farms are leased to third parties and do not contribute to the LA Basin steam generating stations. The Tank Farms are therefore not included in revenue requirement.
Miscellaneous plant includes landfills that are not used and therefore not included in AS or Transmission revenue requirements.

A.1 Tank Farm and Other GL Plant

Months	Reference	Total Tank Farms and Other Accounts
June 2019	LADWP GL	$ 45,618
July 2019	LADWP GL	$ 45,618
August 2019	LADWP GL	$ 45,618
September 2019	LADWP GL	$ 45,618
October 2019	LADWP GL	$ 45,618
November 2019	LADWP GL	$ 45,618
December 2019	LADWP GL	$ 45,618
January 2020	LADWP GL	$ 45,618
February 2020	LADWP GL	$ 45,618
March 2020	LADWP GL	$ 45,618
April 2020	LADWP GL	$ 45,618
May 2020	LADWP GL	$ 45,618
June 2020	LADWP GL	$ 45,618
Total 13 Months	$E$53=SUM(E39:E51)	$ 593,033
13 Month Average	$E$55=+E53/13	$ 45,618
Total Adjusted Miscellaneous Plant	$N$57=N55	$ 45,618
Check		$ 45,618

	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1		**Los Angeles Department of Water and Power**													
2		**Statement**													
3		**AE Accumulated Depreciation and Amortization (Accum Deprec)**													
4		**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**													
5		**(in Thousands of Dollars)**													
6															
7		**Legend**		**Error Check**											
8		Blue = Input costs		Calculated Totals	$ (36,534,503)										
9		Green = from another tab		Check Totals	$ (36,534,503)										
10		Black = equation		Difference	$ 0.00										
11		Allocation Factors		Error Check											
12		Red = Calculation checks													
13		**Bold numbers** = flow through to statement BK													
14		Gray = Subtotals of certain columns													
15															
16															
17															
424		**E. ALLOCATION OF GENERAL PLANT ACCUM DEPREC TO PRODUCTION AND TRANSMISSION**													
425															
426		**E.1 GL General Accum Deprec**													
427		Total General plant accumulated depreciation is allocated to Production, Transmission and Distribution using labor ratios. The GL values shown below already exclude balances related to Mohave.													
428															
429		GL General Accum Deprec June 2019	LADWP GL	$ (1,045,592)											
430		GL General Accum Deprec June 2020	LADWP GL	$ (1,110,070)											
431		General Accum Deprec - Beg/End Avg	$F$431=(F429+F430)/2	$ (1,077,831)											
432															
433		**E.2 Allocation of GL General Accum Deprec to P,T,D**			Owens Valley Stations										
434					Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro
435		Item	Reference	Total	Cottonwood	Division Creek	Big Pine	Pleasant Valley	Upper Gorge	Middle Gorge	Control Gorge	S.F. 1	S.F. 2	San Fernando	Foothill
436															
437		RECLASSIFIED LABOR ALLOCATOR (P,T(Sch 1, 7&8),D)	$G$437='Allocation Factors'!H83	100.00%	0.10%	0.01%	0.08%	0.17%	0.13%	0.43%	0.41%	0.63%	0.22%	0.08%	0.11%
438		Total ECC Before Unit Removals	$F$438=SUM(G438:AJ438)	$ (1,077,831)	$ (1,109)	$ (113)	$ (869)	$ (1,821)	$ (1,416)	$ (4,595)	$ (4,426)	$ (6,738)	$ (2,362)	$ (907)	$ (1,198)
439															
440		**E.3 Remove Units that do not provide AS**													
441		Remove Harbor U 6&7 (retired)	$W$441=-(Harbor!M88+Harbor!N88)	$ 2.31											
442		Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$Z$442=-'Haynes Rate Base'!G117	$ 3,334.91											
443		Remove Valley U 3& 4 (retired)	$X$443=-Valley!E88	$ 1,816.49											
444		Remove Scattergood U3 (retired)	$Y$444=-'Sctrgd Rate Base'!S115	$ 35.93											
445		Remove Castaic Unit 7 (does not provide AS)	$U$445=-Castaic!O80	$ 3,443.13											
446		Remove San Francisquito 2 Unit 1 (not in service)	$O$446=-'San Francisquito 2'!$F$22*O438	$ 718.95									$ 719		
447		Remove Division Creek (not in service)	$H$447=-H438	$ 112.55		$ 113									
448		Total Removals	$G$448=SUM(G441:G447)	$ 9,464	$ -	$ 113	$ -	$ -	$ -	$ -	$ -	$ -	$ 719	$ -	$ -
449															
450		**Reclassified General Plant Accum Deprec**	$G$450=G448+G438	**$ (1,068,367)**	**$ (1,109)**	**$ -**	**$ (869)**	**$ (1,821)**	**$ (1,416)**	**$ (4,595)**	**$ (4,426)**	**$ (6,738)**	**$ (1,643)**	**$ (907)**	**$ (1,198)**
451		Check		$ (1,068,367)											
452															
453		**F. RECLASSIFICATION OF ENERGY CONTROL CENTER (ECC) TO GENERAL ACCUMULATED DEPRECIATION**													
454															
455		The ECC facilities contain communication and other equipment that is labor intensive that supports in the operation of the production, transmission and distribution system and due to its labor intensive use of the equipment, it is reclassified to general plant and accumulated depreciation. Once reclassified to general plant, ECC is reclassified to production, transmission and distribution using the Reclassified Labor allocator. For the ECC accumulated depreciation allocated to ECC-Transmission, the total amount is allocated to Schedule 1.													
456															
457		**F.1 Total ECC From Distribution and Transmission**													
458															
459		Item	Reference	ECC											
460		Distribution ECC Reclassified to General Plant	$F$460=-I346	$ (112,132)											
461		Transmission ECC Reclassified to General Plant	Transmission ECC = 0	$ (27)											
462		Total ECC Reclassified to General Plant	$F$462=F460+F461	$ (112,159)											
463															
464		**F.2 Allocated ECC to P,T,D**													
465					Owens Valley Stations										
466					Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro
467		Item	Reference	Total	Cottonwood	Division Creek	Big Pine	Pleasant Valley	Upper Gorge	Middle Gorge	Control Gorge	S.F. 1	S.F. 2	San Fernando	Foothill
468		LABOR ALLOCATOR (P,T(Sch 1),D) FOR ECC	$G$468='Allocation Factors'!H85	100.00%	0.11%	0.01%	0.08%	0.18%	0.14%	0.45%	0.43%	0.65%	0.23%	0.09%	0.12%
469		Totall Allocated ECC Before Removing Haynes U7	$G$469=G468*$F$462	$ (112,159)	$ (121)	$ (12)	$ (95)	$ (198)	$ (154)	$ (500)	$ (482)	$ (734)	$ (257)	$ (99)	$ (130)
470				$ (112,159)											
471		**F.3 Remove Haynes U7 (does not provide AS)**													
472		Remove Harbor U 6&7 (retired)	$W$472=-(Harbor!M86+Harbor!N86)	$ 0											
473		Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$Z$473=-'Haynes Rate Base'!G118	$ 363											
474		Remove Valley U 3& 4 (retired)	$X$474=-Valley!E86	$ 198											
475		Remove Scattergood U3 (retired)	$Y$475=-'Sctrgd Rate Base'!S116	$ 4											
476		Remove Castaic Unit 7 (does not provide AS)	$U$476=-Castaic!O78	$ 375											
477		Remove San Francisquito 2 Unit 1 (not in service)	$O$477=-'San Francisquito 2'!$F$22*O469	$ 78									$ 78		
478		Remove Division Creek (not in service)	$H$478=-H469	$ 12		$ 12									
479		Toal Removals	$G$479=SUM(G472:G478)	$ 1,031	$ -	$ 12	$ -	$ -	$ -	$ -	$ -	$ -	$ 78	$ -	$ -
480															
481		**Reclassified ECC to General Plant**	$G$481=G479+G469	$ (111,128)	$ (121)	$ -	$ (95)	$ (198)	$ (154)	$ (500)	$ (482)	$ (734)	$ (179)	$ (99)	$ (130)
482		Check													
483															
484					Owens Valley Stations										
485					Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro
486		Item	Reference	Total	Cottonwood	Division Creek	Big Pine	Pleasant Valley	Upper Gorge	Middle Gorge	Control Gorge	S.F. 1	S.F. 2	San Fernando	Foothill
487		**Total Accumulated Depreciation (incl ECC, Int, and General Plt)**	$G$487=+G481+G450+G421+L157	$ (8,810,798)	$ (4,536)	$ -	$ (3,191)	$ (8,099)	$ (31,168)	$ (21,655)	$ (30,297)	$ (63,738)	$ (13,283)	$ (2,642)	$ (6,394)
488		Check		$ (8,810,798)											

	C	D	E	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD
1		**Los Angeles Department of Water and Power**														
2		**Statement**														
3		**AE Accumulated Depreciation and Amortization (Accum Deprec)**														
4		**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**														
5		**(in Thousands of Dollars)**														
6																
7		**Legend**	**Error Check**													
8		Blue = Input costs	Calculated Totals													
9		Green = from another tab	Check Totals													
10		Black = equation	Difference													
11		Allocation Factors	Error Check													
12		Red = Calculation checks														
13		**Bold numbers** = flow through to statement BK														
14		Gray = Subtotals of certain columns														
15																
16																
17																
424		**E. ALLOCATION OF GENERAL PLANT ACCUM DEPREC TO PRODUCTION AND TRANSMISSION**														
425																
426		**E.1 GL General Accum Deprec**														
427		Total General plant accumulated depreciation is allocated to Production, Transmission and Distribution using labor ratios. The GL values sh exclude balances related to Mohave.														
428																
429		GL General Accum Deprec June 2019	LADWP GL													
430		GL General Accum Deprec June 2020	LADWP GL													
431		General Accum Deprec - Beg/End Avg	$F$431=(F429+F430)/2													
432																
433		**E.2 Allocation of GL General Accum Deprec to P,T,D**							LA Basin Stations							
434				Hydro	Hydro	Hydro	Hydro	Hydro	Steam	Steam	Steam	Steam	Steam	Steam	Nuclear	Other Prod
435		Item	Reference	Franklin	Sawtelle	Haiwee	Pump Storage Castaic	Hoover	Harbor	Valley	Scattergood	Haynes	Navajo	Mohave	Palo Verde	Wind
436																
437		RECLASSIFIED LABOR ALLOCATOR (P,T(Sch 1, 7&8),D)	$G$437='Allocation Factors'!H83	0.01%	0.00%	0.07%	2.54%	0.00%	3.00%	2.76%	4.14%	7.06%	0.01%	0.00%	0.00%	1.04%
438		Total ECC Before Unit Removals	$F$438=SUM(G438:AJ438)	$ (132)	$ -	$ (737)	$ (27,386)	$ -	$ (32,328)	$ (29,727)	$ (44,632)	$ (76,057)	$ (91)	$ (38)	$ -	$ (11,234)
439																
440		**E.3 Remove Units that do not provide AS**														
441		Remove Harbor U 6&7 (retired)	$W$441=-(Harbor!M88+Harbor!N88)						$ 2							
442		Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$Z$442=-'Haynes Rate Base'!G117									$ 3,334.9				
443		Remove Valley U 3& 4 (retired)	$X$443=-Valley!E88							$ 1,816						
444		Remove Scattergood U3 (retired)	$Y$444=-'Sctrgd Rate Base'!S115								$ 35.9					
445		Remove Castaic Unit 7 (does not provide AS)	$U$445=-Castaic!O80				$ 3,443									
446		Remove San Francisquito 2 Unit 1 (not in service)	$O$446=-'San Francisquito 2'!$F$22*O438													
447		Remove Division Creek (not in service)	$H$447=-H438													
448		Total Removals	$G$448=SUM(G441:G447)	$ -	$ -	$ -	$ 3,443	$ -	$ 2	$ 1,816	$ 36	$ 3,335	$ -	$ -	$ -	$ -
449																
450		**Reclassified General Plant Accum Deprec**	$G$450=G448+G438	**$ (132)**	**$ -**	**$ (737)**	**$ (23,943)**	**$ -**	**$ (32,326)**	**$ (27,911)**	**$ (44,596)**	**$ (72,722)**	**$ (91)**	**$ (38)**	**$ -**	**$ (11,234)**
451		Check														
452																
453		**F. RECLASSIFICATION OF ENERGY CONTROL CENTER (ECC) TO GENERAL ACCUMULATED DEPRECIATION**														
454																
455		The ECC facilities contain communication and other equipment that is labor intensive that supports in the operation of the production, transmission and distribution system and due to its labor intensive use of the equipment, it is reclassified to general plant and accumulated depreciation. Once reclassified to general plant, ECC is reclassified to production, transmission and distribution using the Reclassified Labor allocator. For the ECC accumulated depreciation allocated to ECC-Transmission, the total amount is allocated to Schedule 1.														
456																
457		**F.1 Total ECC From Distribution and Transmission**														
458																
459		Item	Reference													
460		Distribution ECC Reclassified to General Plant	$F$460=-I346													
461		Transmission ECC Reclassified to General Plant	Transmission ECC = 0													
462		Total ECC Reclassified to General Plant	$F$462=F460+F461													
463																
464		**F.2 Allocated ECC to P,T,D**														
465									LA Basin Stations							
466				Hydro	Hydro	Hydro	Hydro	Hydro	Steam	Steam	Steam	Steam	Steam	Steam	Nuclear	Other Prod
467		Item	Reference	Franklin	Sawtelle	Haiwee	Pump Storage Castaic	Hoover Purchased Power	Harbor	Valley	Scattergood	Haynes	Navajo	Mohave	Palo Verde	Wind
468		LABOR ALLOCATOR (P,T(Sch 1),D) FOR ECC	$G$468='Allocation Factors'!H85	0.01%	0.00%	0.07%	2.66%	0.00%	3.14%	2.89%	4.33%	7.39%	0.01%	0.00%	0.00%	1.09%
469		Totall Allocated ECC Before Removing Haynes U7	$G$469=G468*$F$462	$ (14)	$ -	$ (80)	$ (2,983)	$ -	$ (3,521)	$ (3,238)	$ (4,861)	$ (8,283)	$ (10)	$ (4)	$ -	$ (1,223)
470																
471		**F.3 Remove Haynes U7 (does not provide AS)**														
472		Remove Harbor U 6&7 (retired)	$W$472=-(Harbor!M86+Harbor!N86)						$ 0							
473		Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$Z$473=-'Haynes Rate Base'!G118									$ 363				
474		Remove Valley U 3& 4 (retired)	$X$474=-Valley!E86							$ 198						
475		Remove Scattergood U3 (retired)	$Y$475=-'Sctrgd Rate Base'!S116								$ 4					
476		Remove Castaic Unit 7 (does not provide AS)	$U$476=-Castaic!O78				$ 375									
477		Remove San Francisquito 2 Unit 1 (not in service)	$O$477=-'San Francisquito 2'!$F$22*O469													
478		Remove Division Creek (not in service)	$H$478=-H469													
479		Toal Removals	$G$479=SUM(G472:G478)	$ -	$ -	$ -	$ 375	$ -	$ 0	$ 198	$ 4	$ 363	$ -	$ -	$ -	$ -
480																
481		**Reclassified ECC to General Plant**	$G$481=G479+G469	$ (14)	$ -	$ (80)	$ (2,608)	$ -	$ (3,521)	$ (3,040)	$ (4,857)	$ (7,920)	$ (10)	$ (4)	$ -	$ (1,223)
482		Check														
483																
484									LA Basin Stations							
485				Hydro	Hydro	Hydro	Hydro	Hydro	Steam	Steam	Steam	Steam	Steam	Steam	Nuclear	Other Prod
486		Item	Reference	Franklin	Sawtelle	Haiwee	Pump Storage Castaic	Hoover Purchased Power	Harbor	Valley	Scattergood	Haynes	Navajo	Mohave	Palo Verde	Wind
487		**Total Accumulated Depreciation (incl ECC, Int, and General Plt)**	$G$487=+G481+G450+G421+L157	$ (2,950)	$ (4)	$ (4,977)	$ (326,088)	$ (384)	$ (492,723)	$ (297,563)	$ (317,464)	$ (555,050)	$ (122)	$ (292)	$ (472,850)	$ (207,803)
488		Check														

	C	D	E	AE	AF	AG	AH	AI	AJ
1		**Los Angeles Department of Water and Power**							
2		**Statement**							
3		**AE Accumulated Depreciation and Amortization (Accum Deprec)**							
4		**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**							
5		**(in Thousands of Dollars)**							
6									
7		**Legend**	**Error Check**						
8		Blue = Input costs	Calculated Totals						
9		Green = from another tab	Check Totals						
10		Black = equation	Difference						
11		Allocation Factors	Error Check						
12		Red = Calculation checks							
13		**Bold numbers** = flow through to statement BK							
14		Gray = Subtotals of certain columns							
15									
16									
17									
424		**E. ALLOCATION OF GENERAL PLANT ACCUM DEPREC TO PRODUCTION AND TRANSMISSION**							
425									
426		**E.1 GL General Accum Deprec**							
427		Total General plant accumulated depreciation is allocated to Production, Transmission and Distribution using labor ratios. The GL values sh exclude balances related to Mohave.							
428									
429		GL General Accum Deprec June 2019	LADWP GL						
430		GL General Accum Deprec June 2020	LADWP GL						
431		General Accum Deprec - Beg/End Avg	$F$431=(F429+F430)/2						
432									
433		**E.2 Allocation of GL General Accum Deprec to P,T,D**							
434				Other Prod	Other Prod	Other Prod			
435		Item	Reference	Solar	Other	Beacon Battery Storage	Transmission (Sch 1)	Transmission GRID (Sch 7 and 8)	Distribution
436									
437		RECLASSIFIED LABOR ALLOCATOR (P,T(Sch 1, 7&8),D)	$G$437='Allocation Factors'!H83	0.81%	0.47%	0.00%	1.38%	10.73%	63.60%
438		Total ECC Before Unit Removals	$F$438=SUM(G438:AJ438)	$ (8,776)	$ (5,049)	$ (3)	$ (14,927)	$ (115,644)	$ (685,516)
439									
440		**E.3 Remove Units that do not provide AS**							
441		Remove Harbor U 6&7 (retired)	$W$441=-(Harbor!M88+Harbor!N88)						
442		Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$Z$442='Haynes Rate Base'!G117						
443		Remove Valley U 3& 4 (retired)	$X$443=-Valley!E88						
444		Remove Scattergood U3 (retired)	$Y$444='Sctrgd Rate Base'!S115						
445		Remove Castaic Unit 7 (does not provide AS)	$U$445=-Castaic!O80						
446		Remove San Francisquito 2 Unit 1 (not in service)	$O$446='San Francisquito 2'!$F$22*O438						
447		Remove Division Creek (not in service)	$H$447=-H438						
448		Total Removals	$G$448=SUM(G441:G447)	$ -	$ -	$ -	$ -	$ -	$ -
449									
450		**Reclassified General Plant Accum Deprec**	$G$450=G448+G438	**$ (8,776)**	**$ (5,049)**	**$ (3)**	**$ (14,927)**	**$ (115,644)**	**$ (685,516)**
451		Check							
452									
453		**F. RECLASSIFICATION OF ENERGY CONTROL CENTER (ECC) TO GENERAL ACCUMULATED DEPRECIATION**							
454									
455		The ECC facilities contain communication and other equipment that is labor intensive that supports in the operation of the production, transmission and distribution system and due to its labor intensive use of the equipment, it is reclassified to general plant and accumulated depreciation. Once reclassified to general plant, ECC is reclassified to production, transmission and distribution using the Reclassified Labor allocator. For the ECC accumulated depreciation allocated to ECC-Transmission, the total amount is allocated to Schedule 1.							
456									
457		**F.1 Total ECC From Distribution and Transmission**							
458									
459		Item	Reference						
460		Distribution ECC Reclassified to General Plant	$F$460=-I346						
461		Transmission ECC Reclassified to General Plant	Transmission ECC = 0						
462		Total ECC Reclassified to General Plant	$F$462=F460+F461						
463									
464		**F.2 Allocated ECC to P,T,D**							
465									
466				Other Prod	Other Prod	Other Prod			
467		Item	Reference	Solar	Other	Beacon Battery Storage	Transmission (Sch 1)	Transmission GRID (Sch 7 and 8)	Distribution
468		LABOR ALLOCATOR (P,T(Sch 1),D) FOR ECC	$G$468='Allocation Factors'!H85	0.85%	0.49%	0.00%	43.70%	0.00%	30.88%
469		Totall Allocated ECC Before Removing Haynes U7	$G$469=G468*$F$462	$ (956)	$ (550)	$ (0)	$ (49,014)	$ -	$ (34,639)
470									
471		**F.3 Remove Haynes U7 (does not provide AS)**							
472		Remove Harbor U 6&7 (retired)	$W$472=-(Harbor!M86+Harbor!N86)						
473		Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$Z$473='Haynes Rate Base'!G118						
474		Remove Valley U 3& 4 (retired)	$X$474=-Valley!E86						
475		Remove Scattergood U3 (retired)	$Y$475='Sctrgd Rate Base'!S116						
476		Remove Castaic Unit 7 (does not provide AS)	$U$476=-Castaic!O78						
477		Remove San Francisquito 2 Unit 1 (not in service)	$O$477='San Francisquito 2'!$F$22*O469						
478		Remove Division Creek (not in service)	$H$478=-H469						
479		Toal Removals	$G$479=SUM(G472:G478)	$ -	$ -	$ -	$ -	$ -	$ -
480									
481		**Reclassified ECC to General Plant**	$G$481=G479+G469	$ (956)	$ (550)	$ (0)	$ (49,014)	$ -	$ (34,639)
482		Check					See note in $D$455		
483									
484									
485				Other Prod	Other Prod	Other Prod			
486		Item	Reference	Solar	Other	Beacon Battery Storage	Transmission (Sch 1)	Transmission GRID (Sch 7 and 8)	Distribution
487		**Total Accumulated Depreciation (incl ECC, Int, and General Plt)**	$G$487=+G481+G450+G421+L157	$ (62,455)	$ (7,379)	$ (4,271)	$ (67,179)	$ (945,525)	$ (4,860,715)
488		Check							

Los Angeles Department of Water and Power
Statement
AF Specified Deferred Credits [CIAC]
Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)
(in Thousands of Dollars)

Legend
Blue = Input costs
Green = from another tab
Black = equation
Allocation Factors
Red = Calculation checks
Bold numbers = flow through to statement BK
Gray = Subtotals of certain columns

TRANSMISSION CIAC

Transmission Contributions in Aid of Construction (CIAC) are booked by LADWP as credits to Retained Earnings and debits to transmission plant in service. Therefore, transmission plant in service and accumulated depreciation associated with CIAC needs to be backed out of rate base. Also, transmission depreciation expense on plant related to CIAC needs to be backed out of test year depreciation expense. The Transmission depreciation expense inputs in statement AJ exclude Transmission depreciation related to CIAC. Tab "AJ-New Rates" does include an adjustment to reduce Transmission depreciation for CIAC related depreciation since the new rates and accruals from the depreciation study are based on total transmission assets including CIAC related assets.

CIAC Transmission From Retained Earnings

Month	**Ref**	**CIAC (Transmission)**
June 2019	LADWP GL	$ (168,676)
July 2019	LADWP GL	$ (168,676)
August 2019	LADWP GL	$ (168,676)
September 2019	LADWP GL	$ (168,676)
October 2019	LADWP GL	$ (168,676)
November 2019	LADWP GL	$ (168,676)
December 2019	LADWP GL	$ (168,676)
January 2020	LADWP GL	$ (168,676)
February 2020	LADWP GL	$ (168,676)
March 2020	LADWP GL	$ (168,676)
April 2020	LADWP GL	$ (168,676)
May 2020	LADWP GL	$ (168,676)
June 2020	LADWP GL	$ (168,676)
Total 13 Months	$E$38=SUM(E24:E36)	$ (2,192,787)
13 Month Avg	$E$40=E38/13	$ (168,676)

Rate Base Reduction for Transmission CIAC

Item	Ref	FY 2019-20
Adjusted GL Transmission Gross Plant	$E$45=AD!E269	$ 2,073,195
GL Transmission Accumulated Depreciation	$E$46=AE!F208	$ (617,528)
GL Net Transmission Plant	$E$47=SUM(E45:E46)	$ 1,455,667
GL Net Transmission Plant as % of Gross Plant	$E$48=E47/E45	70.21%
GL CIAC Related to Transmission	$E$50=E40	$ (168,676)
GL Net Transmission Plant as % of Gross Plant	$E$51=E48	70.21%
Estimated Net Transmission Plant Related to CIAC	$E$52=E50*E51	$ (118,434)
Reduction to Rate Base for Transmission CIAC	$E$54=E52	**$ (118,434)**

	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V
1		**os Angeles Department of Water and Power**																		
2		**atement**																		
3		**S Specified Plant Accounts and Deferred Debits**																		
4		**Land Held For Future Use (Production)**																		
5		**Acquisition Adjustment for Palo Verde**																		
6		**Construction Work in Progress included in rate base**																		
7		**est Period: FY2019-20 (July 1, 2019 through June 30, 2020)**					**Error Check**													
8		**n Thousands of Dollars)**					Calculated Totals	$ 101,992												
9		**Legend**					Check Totals	$ 101,992												
10		Blue = Input costs					Difference	$ -												
11		Green = from another tab					Error Check													
		Black = equation																		
		Allocation Factors																		
		Red = Calculation checks																		
		Bold numbers = flow through to statement BK																		
		Gray = Subtotals of certain columns																		
12																				
39		**B.2 CWIP COMPONENTS**																		
40																				
41																				
42		**FI_ID**	**FI_DESC**	**JOB_ID**	**G,T, D**	**Est COD**	**JOB_DESC**	**Beg Bal**	**Jul-19**	**Aug-19**	**Sep-19**	**Oct-19**	**Nov-19**	**Dec-19**	**Jan-20**	**Feb-20**	**Mar-20**	**Apr-20**	**May-20**	**Jun-20**
43		21186	PSRP - GENERATION	B1182	G	1/13/2021	HGS GT1 MAJOR INSPECTION & OVERHAUL Harbor Generating Station unit 1	$ 1	$ 10	$ 39	$ 59	$ 115	$ 175	$ 683	$ 1,355	$ 2,051	$ 3,077	$ 3,716	$ 4,092	$ 4,689
44		21143	HAYNES GEN STA A'S & B'S	O9086	G	5/14/2027	RETROFIT THE HAYNES GENERATING STATION (HNGS) UNITS 8-10 COOLING SYSTEM.	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 21
45		21165	SCATTERGOOD DEMO/MODRNZTN	O9778	G	12/1/2020	MODERNIZATION OF SCATTERGD GS U1&2 W/ ONE 1X1 GAS TURBINE GENERATOR & STEAM TURBINE GENERATOR COMBINED CYCLE PROJECT. PROJECT WILL INCLUDE USE OF AIR COOLED CONDENSER TO ELIMINATE THE NEED FOR OCEAN COOLING.	$ 7,819	$ 7,882	$ 7,905	$ 7,932	$ 7,945	$ 7,947	$ 7,984	$ 8,036	$ 8,086	$ 8,136	$ 8,157	$ 8,183	$ 8,201
46		24348	TRANSMISSION LINES	O9808	T	12/1/2022	CONVERT THE PP1-OLV1 AND PP2-OLV1 115KV TRANSMISSION LINE TO A NEW 230-KV LINE BETWEEN HASKELL CANYON SWITCHING STATION AND SYLMAR SWITCHING STATION.	$ 13,498	$ 14,640	$ 15,805	$ 16,525	$ 17,230	$ 17,931	$ 18,379	$ 18,915	$ 19,644	$ 21,702	$ 22,540	$ 23,267	$ 24,167
47		21212	PSRP - TRANSMISSION	O9810	T	6/1/2025	UG WORK:DESIGN & CONSTRUCT NEW 230KVUG CIRCUIT USING XLPE CABLE TO REPLACE EXISTING OFPT CABLE. OH WORK:LOWEER UG 4.8KV DISTRIBUTION LINES OF TOLUCA HOLLYWOOD L1. STATION WORK: UPGRADE & RACKINGS AT RS-H & RS-E.	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 39
48		25372	EASTERN STATIONS A&B'S	B2258	T	See C5143 below.	MCCULLOUUGH-VICTORVILLE LINE 1 & 2 SERIES CAPACITOR (BOTH STATIONS) PER EVERARDO HERNANDEZ JOB IS COMLETE; HAS BEEN REPLACED BY JOB C5143 ADMINISTERED BY MAJOR PROJECTS; FI 216-31 L2WO-BAN34	$ 149	$ 149	$ 149	$ 149	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
49		21212	PSRP - TRANSMISSION	O1373	T	9/17/2021	SYLMAR CS AC FILTER REPLACEMENT PROJ-REPLACE EXISTING AC FILTERS (APPROX 1820 MVAR & 2 SHUNT REACTORS). 60% REIMB BY PARTICPNTS. LEAD XFRD TO PSPD 10-2012. 100% PASS THRU RCA (PRP).	$ 72,455	$ 78,935	$ 70,685	$ 74,217	$ 71,091	$ 73,223	$ 79,325	$ 75,768	$ 77,867	$ 91,461	$ 81,641	$ 93,229	$ 1,100
50		21212	PSRP - TRANSMISSION	O9805	T	6/1/2022	UPGRADE VALLEY-RINALDI 1 AND 2 TO ACHIEVE AN EMERGENCY RATING OF 900MVA.	$ 22,049	$ 22,165	$ 22,287	$ 22,369	$ 22,461	$ 22,530	$ 23,367	$ 24,106	$ 24,307	$ 24,664	$ 24,725	$ 24,743	$ 24,882
51		21212	PSRP - TRANSMISSION	B1062	T	5/13/2021	138KV UNDERGROUND TRANSMISSION CABLE RPLCMNT PROJECT- RECONDUCTOR THE EXISTING OVER-AGED 138-KV LOW PRESSURE OIL-FILLED (LPOF) CABLE WITH NEW CROSS-LINKED POLYETHYENE (XLPE) INSULATED CABLE (45 MILES)	$ 18,351	$ 30,001	$ 30,535	$ 31,196	$ 31,636	$ 32,151	$ 7,058	$ 37,333	$ 42,719	$ 8,969	$ 9,272	$ 9,357	$ 9,493
52		21212	PSRP - TRANSMISSION	O9806	T	5/31/2026 (est.)	UPGRADE VALLEY-TOLUCA L1 AND L2 TO ACHIEVE CONTINUOUS RATING OF 761MVA AND 2-HOUR EMERGENCY RATING OF 1100MVA.	$ 6,764	$ 6,765	$ 6,771	$ 6,771	$ 6,778	$ 6,788	$ 6,790	$ 6,792	$ 6,800	$ 6,807	$ 6,807	$ 6,808	$ 6,812
53		21212	PSRP - TRANSMISSION	O1406	T	3/10/2023	SCATTERGOOD-OLYMPIC CABLE B.INSTALL CROSS-LINKED POLYETHLENE(XLPE) CABLES AND ACCESSORIES FROM SCATTERGOOD TO RS-X AND FROM RS-X TO RS-K.	$ 1	$ 7	$ 10	$ 17	$ 33	$ 58	$ 75	$ 79	$ 91	$ 122	$ 175	$ 226	$ 279

	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V
1		**os Angeles Department of Water and Power**																		
2		**atement**																		
3		**S Specified Plant Accounts and Deferred Debits**																		
4		**Land Held For Future Use (Production)**																		
5		**Acquisition Adjustment for Palo Verde**																		
6		**Construction Work in Progress included in rate base**																		
7		**est Period: FY2019-20 (July 1, 2019 through June 30, 2020)**																		
8		**n Thousands of Dollars)**					**Error Check**													
9							Calculated Totals	$ 101,992												
10							Check Totals	$ 101,992												
11							Difference	$ -												
							Error Check													
12																				
54		21631	LONG-TERM PLNNG & DEVLPMT	C5190	T	6/1/2023	VIC-LA PATH UPGRADE -TO INCREASE MAXIMUM POWER INJECTION FROM VICTORVILLE TO LA BASIN. WORK INCLUDES DOUBLING CAPACITY OF BANK K, REBUILD VICTORVILLE SS, ADDING 500KV LINE POSITION.	$ 5,584	$ 6,350	$ 7,654	$ 7,660	$ 8,374	$ 9,276	$ 10,426	$ 11,979	$ 13,663	$ 15,603	$ 17,725	$ 19,315	$ 21,173
55		21631	LONG-TERM PLNNG & DEVLPMT	C5143	T	12/31/2024	MCCULLOUGH-VICTORVILLE LINES 1&2. FOR 70% SERIES COMPENSATION ON MCC-VIC 500KV TRANSMISSION LINES. INCLUDES UPGRADE OF LINE 1&2, REPLACEMENT OF 7 CIRCUIT BREAKERS AT VIC SS & REPLACE SERIES CAPACITORS AT MCC SS & VIC SS	$ 161	$ 234	$ 341	$ 491	$ 794	$ 1,168	$ 1,426	$ 1,633	$ 1,826	$ 2,032	$ 2,302	$ 2,562	$ 2,898
56		24346	BARREN RIDGE RENEWBL TRAN	O1315	T	7/1/2022	CASTAIC - HASKELL LINE 3. INSTALL 12MILES OF NEW 230 KV TRANSMISSION CIRCUIT AND NEW OPGW. CASTAIC STATION EXPANSION/MODIFICATION FOR LINE TERMINATIONS.	$ 11,452	$ 13,567	$ 15,847	$ 16,492	$ 17,301	$ 17,837	$ 18,366	$ 18,736	$ 19,168	$ 19,501	$ 19,857	$ 20,420	$ 22,568
57		24346	BARREN RIDGE RENEWBL TRAN	O1502	T	11/10/2025	TO BUILD ROSAMOND SWITCHING STATION WHICH WILL INCLUDE 7 BAYS, DISCONNECTS AND A CONTROL HOUSE. THE EXISTING BARREN RIDGE HASKELL LINES 1, 2, AND 3 WILL BE CONFIGURED TO TERMINATE INTO THE NEW SWITCHING STATION	$ 1	$ 13	$ 16	$ 31	$ 60	$ 79	$ 37,227	$ 37,221	$ 37,323	$ 409	$ 405	$ 527	$ 599
58		24346	BARREN RIDGE RENEWBL TRAN	O1405	T	12/1/2022	UPGRADE 52 MILES OF 230 KV OVERHEAD TRANSMISSION LINE LOCATED BTWN THE BARREN RIDGE SWITCHING STATION AND HASKELL CANYON SWITCHING STATION	$ 1,876	$ 1,913	$ 1,935	$ 1,996	$ 2,033	$ 2,056	$ 2,094	$ 2,126	$ 2,180	$ 2,258	$ 2,300	$ 2,374	$ 2,444
59		**TOTAL**						**$160,161**	**$182,632**	**$179,978**	**$185,904**	**$185,854**	**$191,220**	**$213,201**	**$244,078**	**$255,726**	**$204,740**	**$199,621**	**$215,106**	**$129,363**

Legend

- Blue = Input costs
- Green = from another tab
- Black = equation
- Allocation Factors
- Red = Calculation checks
- **Bold numbers** = flow through to statement BK
- Gray = Subtotals of certain columns

	C	D	E	F	G	H	I	W	X	Y	Z
1		**os Angeles Department of Water and Power**									
2		**tatement**									
3		**B Specified Plant Accounts and Deferred Debits**									
4		**Land Held For Future Use (Production)**									
5		**Acquisition Adjustment for Palo Verde**									
6		**Construction Work In Progress included in rate base**									
7		**est Period: FY2019-20 (July 1, 2019 through June 30, 2020)**					**Error Check**				
8		**n Thousands of Dollars)**					Calculated Totals				
9		**Legend**					Check Totals				
10		Blue = input costs					Difference				
11		Green = from another tab					Error Check				
		Black = equation									
		Allocation Factors									
		Red = Calculation checks									
		Bold numbers = flow through to statement BK									
		Gray = Subtotals of certain columns									
12											
39		**B.2 CWIP COMPONENTS**									
40											
41											

		FI_ID	FI_DESC	JOB_ID	G,T, D	Est COD	JOB_DESC	13 Month Avg	CWIP Inclusion Rate per FERC	CWIP to include in Rate Base	Ancillary services supplied
42											
43		21186	PSRP - GENERATION	B1182	G	1/13/2021	HGS GT1 MAJOR INSPECTION & OVERHAUL Harbor Generating Station unit 1	$ 1,543	50%	$ 772	Sch 2,3,5
44		21143	HAYNES GEN STA A'S & B'S	O9086	G	5/14/2027	RETROFIT THE HAYNES GENERATING STATION (HNGS) UNITS 8-10 COOLING SYSTEM.	$ 2	50%	$ 1	Sch 2,3,5
45		21165	SCATTERGOOD DEMO/MODRNZTN	O9778	G	12/1/2020	MODERNIZATION OF SCATTERGD GS U1&2 W/ ONE 1X1 GAS TURBINE GENERATOR & STEAM TURBINE GENERATOR COMBINED CYCLE PROJECT. PROJECT WILL INCLUDE USE OF AIR COOLED CONDENSER TO ELIMINATE THE NEED FOR OCEAN COOLING.	$ 8,016	100%	$ 8,016	Sch 2,3,5
46		24348	TRANSMISSION LINES	O9808	T	12/1/2022	CONVERT THE PP1-OLV1 AND PP2-OLV1 115KV TRANSMISSION LINE TO A NEW 230-KV LINE BETWEEN HASKELL CANYON SWITCHING STATION AND SYLMAR SWITCHING STATION.	$ 18,788	50%	$ 9,394	
47		21212	PSRP - TRANSMISSION	O9810	T	6/1/2025	UG WORK:DESIGN & CONSTRUCT NEW 230KVUG CIRCUIT USING XLPE CABLE TO REPLACE EXISTING OFPT CABLE. OH WORK:LOWEER UG 4.8KV DISTRIBUTION LINES OF TOLUCA HOLLYWOOD L1. STATION WORK: UPGRADE & RACKINGS AT RS-H & RS-E.	$ 3	50%	$ 1	
48		25372	EASTERN STATIONS A&B'S	B2258	T	See C5143 below.	MCCULLOUUGH-VICTORVILLE LINE 1 & 2 SERIES CAPACITOR (BOTH STATIONS) PER EVERARDO HERNANDEZ JOB IS COMLETE; HAS BEEN REPLACED BY JOB C5143 ADMINISTERED BY MAJOR PROJECTS; F1.216-31 L:2IWO-BAN34	$ 46	50%	$ 23	
49		21212	PSRP - TRANSMISSION	O1373	T	9/17/2021	SYLMAR CS AC FILTER REPLACEMENT PROJ-REPLACE EXISTING AC FILTERS (APPROX 1820 MVAR & 2 SHUNT REACTORS). 60% REIMB BY PARTICPNTS. LEAD XFRD TO PSPD 10-2012. 100% PASS THRU RCA (PRP).	$ 72,384	50%	$ 36,192	
50		21212	PSRP - TRANSMISSION	O9805	T	6/1/2022	UPGRADE VALLEY-RINALDI 1 AND 2 TO ACHIEVE AN EMERGENCY RATING OF 900MVA.	$ 23,435	50%	$ 11,717	
51		21212	PSRP - TRANSMISSION	B1062	T	5/13/2021	138KV UNDERGROUND TRANSMISSION CABLE RPLCMNT PROJECT- RECONDUCTOR THE EXISTING OVER-AGED 138-KV LOW PRESSURE OIL-FILLED (LPOF) CABLE WITH NEW CROSS-LINKED POLYETHYENE (XLPE) INSULATED CABLE (45 MILES)	$ 22,928	50%	$ 11,464	
52		21212	PSRP - TRANSMISSION	O9806	T	5/31/2026 (est.)	UPGRADE VALLEY-TOLUCA L1 AND L2 TO ACHIEVE CONTINUOUS RATING OF 761MVA AND 2-HOUR EMERGENCY RATING OF 1100MVA.	$ 6,789	50%	$ 3,394	
53		21212	PSRP - TRANSMISSION	O1406	T	3/10/2023	SCATTERGOOD-OLYMPIC CABLE B.INSTALL CROSS-LINKED POLYETHLENE(XLPE) CABLES AND ACCESSORIES FROM SCATTERGOOD TO RS-X AND FROM RS-X TO RS-K.	$ 90	50%	$ 45	

	C	D	E	F	G	H	I	W	X	Y	Z
1	**os Angeles Department of Water and Power**										
2	**atement**										
3	**S Specified Plant Accounts and Deferred Debits**										
4	**Land Held For Future Use (Production)**										
5	**Acquisition Adjustment for Palo Verde**										
6	**Construction Work in Progress included in rate base**										
7	**ast Period: FY2019-20 (July 1, 2019 through June 30, 2020)**						**Error Check**				
8	**n Thousands of Dollars)**						Calculated Totals				
9							Check Totals				
10							Difference				
11							Error Check				
		Legend Blue = input costs Green = from another tab Black = equation Allocation Factors Red = Calculation checks **Bold numbers** = flow through to statement BK Gray = Subtotals of certain columns									
12											
54		21631	LONG-TERM PLNNG & DEVLPMT	C5190	T	6/1/2023	VIC-LA PATH UPGRADE -TO INCREASE MAXIMUM POWER INJECTION FROM VICTORVILLE TO LA BASIN. WORK INCLUDES DOUBLING CAPACITY OF BANK K, REBUILD VICTORVILLE SS, ADDING 500KV LINE POSITION.	$ 11,906	50%	$ 5,953	
55		21631	LONG-TERM PLNNG & DEVLPMT	C5143	T	12/31/2024	MCCULLOUGH-VICTORVILLE LINES 1&2. FOR 70% SERIES COMPENSATION ON MCC-VIC 500KV TRANSMISSION LINES. INCLUDES UPGRADE OF LINE 1&2, REPLACEMENT OF 7 CIRCUIT BREAKERS AT VIC SS & REPLACE SERIES CAPACITORS AT MCC SS & VIC SS	$ 1,374	50%	$ 687	
56		24346	BARREN RIDGE RENEWBL TRAN	O1315	T	7/1/2022	CASTAIC - HASKELL LINE 3. INSTALL 12MILES OF NEW 230 KV TRANSMISSION CIRCUIT AND NEW OPGW. CASTAIC STATION EXPANSION/MODIFICATION FOR LINE TERMINATIONS.	$ 17,778	50%	$ 8,889	
57		24346	BARREN RIDGE RENEWBL TRAN	O1502	T	11/10/2025	TO BUILD ROSAMOND SWITCHING STATION WHICH WILL INCLUDE 7 BAYS, DISCONNECTS AND A CONTROL HOUSE. THE EXISTING BARREN RIDGE HASKELL LINES 1, 2, AND 3 WILL BE CONFIGURED TO TERMINATE INTO THE NEW SWITCHING STATION	$ 8,762	50%	$ 4,381	
58		24346	BARREN RIDGE RENEWBL TRAN	O1405	T	12/1/2022	UPGRADE 52 MILES OF 230 KV OVERHEAD TRANSMISSION LINE LOCATED BTWN THE BARREN RIDGE SWITCHING STATION AND HASKELL CANYON SWITCHING STATION	$ 2,122	50%	$ 1,061	
59		**TOTAL**						**$ 195,968**		**$ 101,992**	

	C	D	E	F	G	H	I	J	K	L	M	N
1	**Los Angeles Department of Water and Power**											
2	**Statement**											
3	**AH O&M Expenses by FERC Primary Account**											
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**											
5	**(in Thousands of Dollars)**											
6	**Legend**		**Error Check**									
7	Blue = Input costs	Calculated Totals	$ 4,402,990									
8	Green = from another tab	Check Totals	$ 4,402,990									
9	Black = equation	Difference	$ 0.00									
10	Allocation Factors	Error Check										
11	Red = Calculation checks											
12	**Bold numbers** = flow through to statement BK											
13	Gray = Subtotals of certain columns											
14												
15												
16												
501	**K. DISTRIBUTION O&M**											
502												
503	**K.1 Distribution GL O&M**											
504	Item	Reference				Total Production, Transmission, Distribution	Total Production and Transmission	Total Production (Hyd+Steam+Nuc+Oth Prod+Purch Power)	Total Hydro	Common Hydro	Total Hydro With OV Common and Miscel	Owens Valley Common Hydro
505	GL Distribution O&M	LADWP GL				$ 376,315	$ -	$ -				
506												
507	**K.2 Distribution O&M Reclassifications**											
508												
509	**K.2.1 Reclassify ECC to P,T,D**											
510	Reclassify ECC to P,T,D	$BL$510=-BL505				$ (1,806)	$ -	$ -				
511												
512	**K.2.2 Reclassification of Dist. Receiving Stations to LA Basin, Transmission, Distribution**											
513	Reclassify RS	$E$513=-BM513	$ 14,333			$ (14,333)	$ -	$ -				
514												
515	Receiving Station Percentages											
516	Distribution Receiving Stations	$E$516='Control Sheet'!H25	53.62%									
517	Production Allocation	$E$517='Control Sheet'!H26	0.86%									
518	Transmission Allocation	$E$518='Control Sheet'!H27	45.53%									
519												
520	Allocated Receiving Stations		Total									
521	Distribution Receiving Stations	$E$521=E513*E516	$ 7,685			$ 7,685	$ -	$ -				
522	Production Allocation	$E$522=E513*E517	$ 123			$ -	$ -	$ -				
523	Transmission Allocation	$E$523=E513*E518	$ 6,525			$ -	$ -	$ -				
524	Total Receiving Station	$E$524=SUM(E521:E523)	$ 14,333			$ 7,685	$ -	$ -	$ -	$ -	$ -	$ -
525												
526	**K.2.3 7 Factor Reclassifications From Transmission**											
527												
528	7 Factor Reclassifications From Transmission Lines											
529	230 kV OH - LAGUNA BELL-VELASCO LINE 1 to Distribution	$BN$529=-AY344				$ 1,146	$ -	$ -				
530	230 kV OH - CONTROL GORGE-INYO LINE to Distribution	$BN$530=-AY345				$ 340	$ -	$ -				
531	Reclassify portion of 230kV UG Lines as Dist.	$BN$531=-AY346				$ 6,665	$ -	$ -				
532	Total 7 Factor Reclassifications	$BN$532=SUM(BN529:BN531)				$ 8,151	$ -	$ -	$ -	$ -	$ -	$ -
533	7 Factor Summary Check					$ 8,151						
534												
535	**Total Reclassified Distribution O&M**	$H$535=H532+H524+H47+H513+H510+H505				$ 376,012	$ -	$ -	$ -	$ -	$ -	$ -
536	Check					$ 376,012						

	C	D	O	P	Q	R	S	T	U	V	W	X	Y	Z
1	**Los Angeles Department of Water and Power**													
2	**Statement**													
3	**AH O&M Expenses by FERC Primary Account**													
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**													
5	**(in Thousands of Dollars)**													
6	**Legend**	**Error Check**												
7	Blue = Input costs	Calculated Totals												
8	Green = from another tab	Check Totals												
9	Black = equation	Difference												
10	Allocation Factors	Error Check												
11	Red = Calculation checks													
12	**Bold numbers** = flow through to statement BK													
13	Gray = Subtotals of certain columns													
14														
15														
16														
501	**K. DISTRIBUTION O&M**				Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro
502														
503	**K.1 Distribution GL O&M**													
504	Item	Reference	Miscel (FERC 543)	Total Owens Valley Hydro Without OV Common Hydro	Cottonwood	Division Creek	Big Pine	Pleasant Valley	Upper Gorge	Middle Gorge	Control Gorge	S.F. 1	S.F. 2	San Fernando
505	GL Distribution O&M	LADWP GL												
506														
507	**K.2 Distribution O&M Reclassifications**													
508														
509	**K.2.1 Reclassify ECC to P,T,D**													
510	Reclassify ECC to P,T,D	$BL$510=-BL505												
511														
512	**K.2.2 Reclassification of Dist. Receiving Stations to LA Basin, Transmission, Distribution**													
513	Reclassify RS	$E$513=-BM513												
514														
515	Receiving Station Percentages													
516	Distribution Receiving Stations	$E$516='Control Sheet'!H25												
517	Production Allocation	$E$517='Control Sheet'!H26												
518	Transmission Allocation	$E$518='Control Sheet'!H27												
519														
520	Allocated Receiving Stations													
521	Distribution Receiving Stations	$E$521=E513*E516												
522	Production Allocation	$E$522=E513*E517												
523	Transmission Allocation	$E$523=E513*E518												
524	Total Receiving Station	$E$524=SUM(E521:E523)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
525														
526	**K.2.3 7 Factor Reclassifications From Transmission**													
527														
528	7 Factor Reclassifications From Transmission Lines													
529	230 kV OH - LAGUNA BELL-VELASCO LINE 1 to Distribution	$BN$529=-AY344												
530	230 kV OH - CONTROL GORGE-INYO LINE to Distribution	$BN$530=-AY345												
531	Reclassify portion of 230kV UG Lines as Dist.	$BN$531=-AY346												
532	Total 7 Factor Reclassifications	$BN$532=SUM(BN529:BN531)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
533	7 Factor Summary Check													
534														
535	**Total Reclassified Distribution O&M**	$H$535=H532+H524+H47+H513+H510+H505	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
536	Check													

	C	D	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL
1	**Los Angeles Department of Water and Power**													
2	**Statement**													
3	**AH O&M Expenses by FERC Primary Account**													
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**													
5	**(in Thousands of Dollars)**													
6	**Legend**	**Error Check**												
7	Blue = Input costs	Calculated Totals												
8	Green = from another tab	Check Totals												
9	Black = equation	Difference												
10	Allocation Factors	Error Check												
11	Red = Calculation checks													
12	**Bold numbers** = flow through to statement BK													
13	Gray = Subtotals of certain columns													
14														
15														
16														
501	**K. DISTRIBUTION O&M**		Hydro	Hydro	Hydro	Hydro	Hydro	Hydro						
502														
503	**K.1 Distribution GL O&M**													Steam/Gas
504	Item	Reference	Foothill	Franklin	Sawtelle	Haiwee	Pump Storage Castaic	Hoover Plant	Total Steam	Misc Amortization	Tank Farms	Steam Common	Total LA Basin	Harbor
505	GL Distribution O&M	LADWP GL												
506														
507	**K.2 Distribution O&M Reclassifications**													
508														
509	**K.2.1 Reclassify ECC to P,T,D**													
510	Reclassify ECC to P,T,D	$BL$510=-BL505												
511														
512	**K.2.2 Reclassification of Dist. Receiving Stations to LA Basin, Transmission, Distribution**													
513	Reclassify RS	$E$513=-BM513												
514														
515	Receiving Station Percentages													
516	Distribution Receiving Stations	$E$516='Control Sheet'!H25												
517	Production Allocation	$E$517='Control Sheet'!H26												
518	Transmission Allocation	$E$518='Control Sheet'!H27												
519														
520	Allocated Receiving Stations													
521	Distribution Receiving Stations	$E$521=E513*E516												
522	Production Allocation	$E$522=E513*E517												
523	Transmission Allocation	$E$523=E513*E518												
524	Total Receiving Station	$E$524=SUM(E521:E523)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
525														
526	**K.2.3 7 Factor Reclassifications From Transmission**													
527														
528	7 Factor Reclassifications From Transmission Lines													
529	230 kV OH - LAGUNA BELL-VELASCO LINE 1 to Distribution	$BN$529=-AY344												
530	230 kV OH - CONTROL GORGE-INYO LINE to Distribution	$BN$530=-AY345												
531	Reclassify portion of 230kV UG Lines as Dist.	$BN$531=-AY346												
532	Total 7 Factor Reclassifications	$BN$532=SUM(BN529:BN531)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
533	7 Factor Summary Check													
534														
535	**Total Reclassified Distribution O&M**	$H$535=H532+H524+H47+H513+H510+H505	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
536	Check													

	C	D	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX
1	**Los Angeles Department of Water and Power**													
2	**Statement**													
3	**AH O&M Expenses by FERC Primary Account**													
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**													
5	**(in Thousands of Dollars)**													
6	**Legend**	**Error Check**												
7	Blue = Input costs	Calculated Totals												
8	Green = from another tab	Check Totals												
9	Black = equation	Difference												
10	Allocation Factors	Error Check												
11	Red = Calculation checks													
12	**Bold numbers** = flow through to statement BK													
13	Gray = Subtotals of certain columns													
14														
15														
16														
501	**K. DISTRIBUTION O&M**													
502			LA Basin Stations											
503	**K.1 Distribution GL O&M**		Steam/Gas	Steam/Gas	Steam/Gas	Steam/Gas	Steam/Gas	Nuclear		Other Prod	Other Prod	Other Prod	Other Prod	
504	Item	Reference	Valley	Scattergood	Haynes	Navajo	Mohave	Palo Verde	Total Other Production	Wind	Solar	Other	Beacon Battery Storage	Safety
505	GL Distribution O&M	LADWP GL												
506														
507	**K.2 Distribution O&M Reclassifications**													
508														
509	**K.2.1 Reclassify ECC to P,T,D**													
510	Reclassify ECC to P,T,D	$BL$510=-BL505												
511														
512	**K.2.2 Reclassification of Dist. Receiving Stations to LA Basin, Transmission, Distribution**													
513	Reclassify RS	$E$513=-BM513												
514														
515	Receiving Station Percentages													
516	Distribution Receiving Stations	$E$516='Control Sheet'!H25												
517	Production Allocation	$E$517='Control Sheet'!H26												
518	Transmission Allocation	$E$518='Control Sheet'!H27												
519														
520	Allocated Receiving Stations													
521	Distribution Receiving Stations	$E$521=E513*E516												
522	Production Allocation	$E$522=E513*E517												
523	Transmission Allocation	$E$523=E513*E518												
524	Total Receiving Station	$E$524=SUM(E521:E523)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
525														
526	**K.2.3 7 Factor Reclassifications From Transmission**													
527														
528	7 Factor Reclassifications From Transmission Lines													
529	230 kV OH - LAGUNA BELL-VELASCO LINE 1 to Distribution	$BN$529=-AY344												
530	230 kV OH - CONTROL GORGE-INYO LINE to Distribution	$BN$530=-AY345												
531	Reclassify portion of 230kV UG Lines as Dist.	$BN$531=-AY346												
532	Total 7 Factor Reclassifications	$BN$532=SUM(BN529:BN531)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
533	7 Factor Summary Check													
534														
535	**Total Reclassified Distribution O&M**	$H$535=H532+H524+H47+H513+H510+H505	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
536	Check													

	C	D	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI
1	**Los Angeles Department of Water and Power**												
2	**Statement**												
3	**AH O&M Expenses by FERC Primary Account**												
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**												
5	**(in Thousands of Dollars)**												
6	**Legend**	**Error Check**											
7	Blue = Input costs	Calculated Totals											
8	Green = from another tab	Check Totals											
9	Black = equation	Difference											
10	Allocation Factors	Error Check											
11	Red = Calculation checks												
12	**Bold numbers** = flow through to statement BK												
13	Gray = Subtotals of certain columns												
14													
15													
16													
501	**K. DISTRIBUTION O&M**												
502													
503	**K.1 Distribution GL O&M**											Purchased Power	
504	Item	Reference	Transmission	Transmission GL ECC (Energy Management)	Transmission (Sch 7&8)	Transmission "All Entries"	Transmission SanFrancisquito	Transmission Station	Transmission Other Operating Facilities	Transmission Lines	Purchased Transmission	IPP Purcahsed Power	Hoover Purchased Power
505	GL Distribution O&M	LADWP GL											
506													
507	**K.2 Distribution O&M Reclassifications**												
508													
509	**K.2.1 Reclassify ECC to P,T,D**												
510	Reclassify ECC to P,T,D	$BL$510=-BL505											
511													
512	**K.2.2 Reclassification of Dist. Receiving Stations to LA Basin, Transmission, Distribution**												
513	Reclassify RS	$E$513=-BM513											
514													
515	Receiving Station Percentages												
516	Distribution Receiving Stations	$E$516='Control Sheet'!H25											
517	Production Allocation	$E$517='Control Sheet'!H26											
518	Transmission Allocation	$E$518='Control Sheet'!H27											
519													
520	Allocated Receiving Stations												
521	Distribution Receiving Stations	$E$521=E513*E516											
522	Production Allocation	$E$522=E513*E517											
523	Transmission Allocation	$E$523=E513*E518											
524	Total Receiving Station	$E$524=SUM(E521:E523)	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
525													
526	**K.2.3 7 Factor Reclassifications From Transmission**												
527													
528	7 Factor Reclassifications From Transmission Lines												
529	230 kV OH - LAGUNA BELL-VELASCO LINE 1 to Distribution	$BN$529=-AY344											
530	230 kV OH - CONTROL GORGE-INYO LINE to Distribution	$BN$530=-AY345											
531	Reclassify portion of 230kV UG Lines as Dist.	$BN$531=-AY346											
532	Total 7 Factor Reclassifications	$BN$532=SUM(BN529:BN531)	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
533	7 Factor Summary Check												
534													
535	**Total Reclassified Distribution O&M**	$H$535=H532+H524+H47+H513+H510+H505	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
536	Check												

	C	D	BJ	BK	BL	BM	BN	BO
1	**Los Angeles Department of Water and Power**							
2	**Statement**							
3	**AH O&M Expenses by FERC Primary Account**							
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**							
5	**(in Thousands of Dollars)**							
6	**Legend**	**Error Check**						
7	Blue = Input costs	Calculated Totals						
8	Green = from another tab	Check Totals						
9	Black = equation	Difference						
10	Allocation Factors	Error Check						
11	Red = Calculation checks							
12	**Bold numbers** = flow through to statement BK							
13	Gray = Subtotals of certain columns							
14								
15								
16								
501	**K. DISTRIBUTION O&M**							
502								
503	**K.1 Distribution GL O&M**							
504	Item	Reference	Apex Purchased Power	Total Distribution	Distribution - ECC	Distribution - RS	Distribution - OTHER	Total AG (Excl. Property Insurance) From GL
505	GL Distribution O&M	LADWP GL		$ 376,315	$ 1,806	$ 14,333	$ 360,176	
506								
507	**K.2 Distribution O&M Reclassifications**							
508								
509	**K.2.1 Reclassify ECC to P,T,D**							
510	Reclassify ECC to P,T,D	$BL$510=-BL505		$ (1,806)	$ (1,806)			
511								
512	**K.2.2 Reclassification of Dist. Receiving Stations to LA Basin, Transmission, Distribution**							
513	Reclassify RS	$E$513=-BM513		$ (14,333)		$ (14,333)		
514								
515	Receiving Station Percentages							
516	Distribution Receiving Stations	$E$516='Control Sheet'!H25						
517	Production Allocation	$E$517='Control Sheet'!H26						
518	Transmission Allocation	$E$518='Control Sheet'!H27						
519								
520	Allocated Receiving Stations							
521	Distribution Receiving Stations	$E$521=E513*E516		$ 7,685		$ 7,685		
522	Production Allocation	$E$522=E513*E517						
523	Transmission Allocation	$E$523=E513*E518						
524	Total Receiving Station	$E$524=SUM(E521:E523)	$ -	$ 7,685	$ -	$ 7,685	$ -	
525								
526	**K.2.3 7 Factor Reclassifications From Transmission**							
527								
528	7 Factor Reclassifications From Transmission Lines							
529	230 kV OH - LAGUNA BELL-VELASCO LINE 1 to Distribution	$BN$529=-AY344		$ 1,146			$ 1,146	
530	230 kV OH - CONTROL GORGE-INYO LINE to Distribution	$BN$530=-AY345		$ 340			$ 340	
531	Reclassify portion of 230kV UG Lines as Dist.	$BN$531=-AY346		$ 6,665			$ 6,665	
532	Total 7 Factor Reclassifications	$BN$532=SUM(BN529:BN531)	$ -	$ 8,151	$ -	$ -	$ 8,151	
533	7 Factor Summary Check							
534								
535	**Total Reclassified Distribution O&M**	$H$535=H532+H524+H47+H513+H510+H505	$ -	$ 376,012	$ -	$ 7,685	$ 368,327	
536	Check							

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V
1	**Los Angeles Department of Water and Power**																				
2	**Statement**																				
3	**AI O&M Labor Expense**																				
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**																				
5	**(In Thousands of Dollars)**																				
6		**Legend**			**Error Check**																
7		Blue = Input costs		Calculated Totals	$ 7,511,593																
8		Green = from another tab		Check Totals	$ 7,511,593																
9		Black = equation		Difference	$ (0)																
10		Allocation Factors		Error Check																	
11		Red = Calculation checks																			
12		Bold numbers = flow through to statement BK																			
13		Gray = Subtotals of certain columns																			
14																					
15																					
16																					
114														Owens Valley							
115											Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro
116					Reference	Total Labor Including Other GL Labor Categories	Total Production, Transmission and Distribution Less ECC	Total Labor Production Stations	Total Hydro	Total Owens Valley	Cottonwood	Division Creek	Big Pine	Pleasant Valley	Upper Gorge	Middle Gorge	Control Gorge	S.F. 1	S.F. 2	San Fernando	Foothill
117		B.10 7 Factor Test Transmission Line Reclassification																			
118																					
119		B.10.1 Reclassify portion of 230kV OH Lines as Production Gen-tie																			
120		PINETREE BARREN-RIDGE LINE (Wind + Solar) ALLOCATOR			$AK$120='Allocation Factors'!AD123	100.00%	100.00%	100.00%	0.00%	0.00%											
121		PINETREE BARREN-RIDGE LINE (Wind + Solar)			$AK$121=-AK120*AY121	$ 0	$ 0	$ 471	$ -	$ -											
122		UPPER GORGE-MIDDLE GORGE			$P$122=-AY122	$ -	$ -	$ 155	$ 155	$ 155					$ 155						
123		MIDDLE GORGE-CONTROL GORGE			$Q$123=-AY123	$ -	$ -	$ 285	$ 285	$ 285						$ 285					
124		230 kV OH - CONTROL GORGE-INYO LINE to Production			$R$124=-AY124	$ -	$ -	$ 270	$ 270	$ 270							$ 270				
125																					
126		B.10.2 Reclassify 230kV UG and portion of 230kV OH Lines as Distribution																			
127		Reclassify Transmission lines to Distribution			$BB$127='7 Factor Summary'!G105	$ -	$ -	$ -	$ -	$ -											
128																					
129		B.10.3 Factor Olive Switchyard Reclassification																			
130																					
131																					
132		Switchyard Direct Assignment to Production (SF1 and SF2)																			
133		115kW LINE ALLOCATOR			$S$133='Allocation Factors'!O23	100.00%	100.00%	100.00%	100.00%	0.00%								58.78%	41.22%		
134		Switchyard Direct Assignment to Production (SF1 and SF2)			$S$134=-S133*$BA$134	$ -	$ -	$ 238	$ 238	$ -								$ 140	$ 98		
135																					
136																					
137		Total 7 Factor Reclassifications			$BB$137=BB134+BB127+BB124+BB123+BB122+BB121	$ 0	$ 0	$ 1,419	$ 948	$ 710	$ -	$ -	$ -	$ -	$ 155	$ 285	$ 270	$ 140	$ 98	$ -	$ -
138																					
139																					
140		Reclassified Labor Subtotal #11			$BB$140=BB137+BB111	$ 473,560	$ 458,553	$ 111,139	$ 22,857	$ 6,095	$ 471	$ 48	$ 369	$ 773	$ 602	$ 1,952	$ 1,880	$ 2,862	$ 1,003	$ 385	$ 509
141						$ 473,560	$ 458,553														
142		B.11 Reclassify RS Labor to P,T,D																			
143		B.11.1 Receiving Station Labor	$ 5,572																		
144																					
145		B.11.2 Remove RS From Distribution	Reclassified RS	Receiving Station Study Percentages																	
146		Distribution Allocation	$ 2,987	53.62%	$BB$146=-D146	$ (2,987)	$ (2,987)	$ -	$ -	$ -											
147		Production Allocation	$ 48	0.86%	$BB$147=-D147	$ (48)	$ (48)	$ -	$ -	$ -											
148		Transmission Allocation	$ 2,537	45.53%	$BB$148=-D148	$ (2,537)	$ (2,537)	$ -	$ -	$ -											
149		Total RS Reclassifications From Dist.	$ 5,572	100.00%	$BB$149=SUM(BB146:BB148)	$ (5,572)	$ (5,572)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
150																					
151		B.11.3 Reclassify RS To P,T,D																			
152		LA BASIN LABOR ALLOCATOR AFTER SAFETY			$AD$152=AD140/$AC$140																
153		RS Reclassified to Production			$AD$153=-AD152*$BB$147	$ 48	$ 48	$ 48	$ -	$ -											
154		RS Reclassified to Transmission			$A$21=-BB148	$ 2,537	$ 2,537	$ -	$ -	$ -											
155		RS Reclassified to Distribution			$A$21=-BB146	$ 2,987	$ 2,987	$ -	$ -	$ -											
156		Total RS Reclassifications To P,T,D			$BB$156=SUM(BB153:BB155)	$ 5,572	$ 5,572	$ 48	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
157																					
158		Reclassified Labor Subtotal #11			$BB$158=BB156+BB149+BB140	$ 473,560	$ 458,553	$ 111,187	$ 22,857	$ 6,095	$ 471	$ 48	$ 369	$ 773	$ 602	$ 1,952	$ 1,880	$ 2,862	$ 1,003	$ 385	$ 509
159							$ 458,553														
160																					
161		B.12 Reclassify All Miscellaneous Labor to Sawtelle																			
162		Reclassify All Miscellaneous Labor to Sawtelle			$BD$162=-BD111	$ -	$ -	$ -	$ -	$ -											
163																					
164		Reclassified Labor(P,T(Sched 1 and 7&8),D			$I$164=I162+I158	$ 473,560	$ 458,553	$ 111,187	$ 22,857	$ 6,095	$ 471	$ 48	$ 369	$ 773	$ 602	$ 1,952	$ 1,880	$ 2,862	$ 1,003	$ 385	$ 509
165						$ 473,560	$ 458,553														
166		ECC PRODUCTION LABOR ALLOCATOR			$AD$166=AD164/$I$164			100.00%	20.6%	5.5%	0.4%	0.0%	0.3%	0.7%	0.5%	1.8%	1.7%	2.6%	0.9%	0.3%	0.5%
167																					
168		B.13 ECC Labor to P,T,D																			
169		ECC Labor			$AU$169=AU164	$ 15,008	$ -	$ -	$ -	$ -											
170		Allocate ECC Production to Stations			$AU$170=-AU164	$ 0	$ 3,814	$ 3,814	$ 784	$ 209	$ 16	$ 2	$ 13	$ 27	$ 21	$ 67	$ 64	$ 98	$ 34	$ 13	$ 17
171		Allocate ECC Distribution to Distribution			$AW$171=-AW164	$ -	$ 4,635	$ -	$ -	$ -											
172		Total ECC Allocated to P,T,D			$AW$172=SUM(AW169:AW171)	$ 15,008	$ 8,449	$ 3,814	$ 784	$ 209	$ 16	$ 2	$ 13	$ 27	$ 21	$ 67	$ 64	$ 98	$ 34	$ 13	$ 17
173		LABOR ALLOCATOR (P,T(Sch 1),D) FOR ECC			$AD$173=AD172/$G172	100.0%	56.3%	25.416%	5.2%	1.4%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%
174																					
175		Total Reclassified Labor (P,T(Sch 1, 7&8),D)			$I$175=I170+I164+I171	$ 473,560	$ 467,002	$ 115,001	$ 23,642	$ 6,304	$ 487	$ 49	$ 382	$ 800	$ 622	$ 2,019	$ 1,944	$ 2,960	$ 1,038	$ 398	$ 526
176						$ 473,560	$ 467,002														
177		C. Reclassified Labor Ratios																			
178		RECLASSIFIED LABOR ALLOCATOR (P,T(Sch 1, 7&8),D)			$AD$178=AD175/$G175	100.00%	98.6%	24.28%	5.0%	1.3%	0.1%	0.0%	0.1%	0.2%	0.1%	0.4%	0.4%	0.6%	0.2%	0.1%	0.1%
179		RECLASSIFIED LABOR ALLOCATOR - P			$AD$179=AD175/$I175	100.00%	100.0%	100.00%	20.6%	5.5%	0.4%	0.0%	0.3%	0.7%	0.5%	1.8%	1.7%	2.6%	0.9%	0.3%	0.5%
180		RECLASSIFIED LABOR ALLOCATOR - T(Sch 1, 7&8)			$AC$180=AP180+AQ180+AR180	100.00%	100.0%	0.00%	0.0%	0.0%											

	B	C	D	E	F	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM	AN
1	Los Angeles Department of Water and Power																						
2	Statement																						
3	AI O&M Labor Expense																						
4	Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)																						
5	(In Thousands of Dollars)																						
6		Legend			Error Check																		
7		Blue = Input costs		Calculated Totals	$ 7,511,593																		
8		Green = from another tab		Check Totals	$ 7,511,593																		
9		Black = equation		Difference	$ (0)																		
10		Allocation Factors		Error Check																			
11		Red = Calculation checks																					
12		Bold numbers = flow through to statement BK																					
13		Gray = Subtotals of certain columns																					
14																							
15																							
16																							
114														LA BASIN									
115						Hydro	Hydro	Hydro	Hydro	Hydro			Steam	Steam	Steam	Steam	Steam	Steam	Nuclear	Other Prod	Other Prod	Other Prod	Other Prod
116					Reference	Franklin	Sawtelle	Haiwee	Pump Storage Castaic	Hoover Plant	Total Steam	Total LA BASIN	Harbor	Valley	Scattergood	Haynes	Navajo	Mohave	Palo Verde	Wind	Solar	Other	Beacon Battery Strorage
117		B.10 7 Factor Test Transmission Line Reclassification																					
118																							
119		B.10.1 Reclassify portion of 230kV OH Lines as Production Gen-tie																					
120		PINETREE BARREN-RIDGE LINE (Wind + Solar) ALLOCATOR			$AK$120='Allocation Factors'!AD123						0.0%	0.00%								94.08%	5.92%		
121		PINETREE BARREN-RIDGE LINE (Wind + Solar)			$AK$121=-AK120*AY121						$ -	$ -								$ 444	$ 28		
122		UPPER GORGE-MIDDLE GORGE			$P$122=-AY122						$ -	$ -											
123		MIDDLE GORGE-CONTROL GORGE			$Q$123=-AY123						$ -	$ -											
124		230 kV OH - CONTROL GORGE-INYO LINE to Production			$R$124=-AY124						$ -	$ -											
125																							
126		B.10.2 Reclassify 230kV UG and portion of 230kV OH Lines as Distribution																					
127		Reclassify Transmission lines to Distribution			$BB$127='7 Factor Summary'!G105						$ -	$ -											
128																							
129		B.10.3 Factor Olive Switchyard Reclassification																					
130																							
131																							
132		Switchyard Direct Assignment to Production (SF1 and SF2)									$ -	$ -											
133		115kW LINE ALLOCATOR			$S$133='Allocation Factors'!O23																		
134		Switchyard Direct Assignment to Production (SF1 and SF2)			$S$134=-S133*$BA$134																		
135																							
136																							
137		Total 7 Factor Reclassifications			$BB$137=BB134+BB127+BB124+BB123+BB122+BB121	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 444	$ 28	$ -	$ -
138																							
139																							
140		Reclassified Labor Subtotal #11			$BB$140=BB137+BB111	$ 56	$ -	$ 313	$ 11,633	$ -	$ 77,636	$ 77,581	$ 13,724	$ 12,620	$ 18,948	$ 32,289	$ 39	$ 16	$ -	$ 4,772	$ 3,728	$ 2,145	$ 1
141																							
142		B.11 Reclassify RS Labor to P,T,D																					
143		B.11.1 Receiving Station Labor	$ 5,572																				
144																							
145		B.11.2 Remove RS From Distribution	Reclassified RS	Receiving Station Study Percentages																			
146		Distribution Allocation	$ 2,987	53.62%	$BB$146=-D146						$ -	$ -											
147		Production Allocation	$ 48	0.86%	$BB$147=-D147						$ -	$ -											
148		Transmission Allocation	$ 2,537	45.53%	$BB$148=-D148						$ -	$ -											
149		Total RS Reclassifications From Dist.	$ 5,572	100.00%	$BB$149=SUM(BB146:BB148)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
150																							
151		B.11.3 Reclassify RS To P,T,D																					
152		LA BASIN LABOR ALLOCATOR AFTER SAFETY			$AD$152=AD140/$AC$140						100.0%	100.00%	17.69%	16.27%	24.42%	41.62%							
153		RS Reclassified to Production			$AD$153=-AD152*$BB$147						$ 48	$ 48	$ 8	$ 8	$ 12	$ 20							
154		RS Reclassified to Transmission			$A$21=-BB148						$ -	$ -											
155		RS Reclassified to Distribution			$A$21=-BB146						$ -	$ -											
156		Total RS Reclassifications To P,T,D			$BB$156=SUM(BB153:BB155)	$ -	$ -	$ -	$ -	$ -	$ 48	$ 48	$ 8	$ 8	$ 12	$ 20	$ -	$ -	$ -	$ -	$ -	$ -	$ -
157																							
158		Reclassified Labor Subtotal #11			$BB$158=BB156+BB149+BB140	$ 56	$ -	$ 313	$ 11,633	$ -	$ 77,683	$ 77,628	$ 13,733	$ 12,628	$ 18,959	$ 32,308	$ 39	$ 16	$ -	$ 4,772	$ 3,728	$ 2,145	$ 1
159																							
160																							
161		B.12 Reclassify All Miscellaneous Labor to Sawtelle																					
162		Reclassify All Miscellaneous Labor to Sawtelle			$BD$162=-BD111		$ -				$ -	$ -											
163																							
164		Reclassified Labor(P,T(Sched 1 and 7&8),D			$I$164=I162+I158	$ 56	$ -	$ 313	$ 11,633	$ -	$ 77,683	$ 77,628	$ 13,733	$ 12,628	$ 18,959	$ 32,308	$ 39	$ 16	$ -	$ 4,772	$ 3,728	$ 2,145	$ 1
165																							
166		ECC PRODUCTION LABOR ALLOCATOR			$AD$166=AD164/$I$164	0.1%	0.0%	0.3%	10.5%	0.0%	69.9%	69.82%	12.4%	11.4%	17.1%	29.1%	0.0%	0.0%	0.0%	4.3%	3.4%	1.9%	0.0%
167																							
168		B.13 ECC Labor to P,T,D																					
169		ECC Labor			$AU$169=AU164						$ -	$ -											
170		Allocate ECC Production to Stations			$AU$170=-AU164	$ 2	$ -	$ 11	$ 399	$ -	$ 2,665	$ 2,663	$ 471	$ 433	$ 650	$ 1,108	$ 1	$ 1	$ -	$ 164	$ 128	$ 74	$ 0
171		Allocate ECC Distribution to Distribution			$AW$171=-AW164						$ -	$ -											
172		Total ECC Allocated to P,T,D			$AW$172=SUM(AW169:AW171)	$ 2	$ -	$ 11	$ 399	$ -	$ 2,665	$ 2,663	$ 471	$ 433	$ 650	$ 1,108	$ 1	$ 1	$ -	$ 164	$ 128	$ 74	$ 0
173		LABOR ALLOCATOR (P,T(Sch 1),D) FOR ECC			$AD$173=AD172/$G172	0%	0%	0%	3%	0%	17.8%	17.74%	3%	3%	4%	7%	0%	0.00368%	0%	1%	1%	0%	0%
174																							
175		Total Reclassified Labor (P,T(Sch 1, 7&8),D)			$I$175=I170+I164+I171	$ 58	$ -	$ 324	$ 12,033	$ -	$ 80,348	$ 80,292	$ 14,204	$ 13,061	$ 19,610	$ 33,417	$ 40	$ 17	$ -	$ 4,936	$ 3,856	$ 2,218	$ 1
176																							
177		C. Reclassified Labor Ratios																					
178		RECLASSIFIED LABOR ALLOCATOR (P,T(Sch 1, 7&8),D)			$AD$178=AD175/$G175	0.0%	0.0%	0.1%	2.5%	0.0%	17.0%	17.0%	3.0%	2.8%	4.1%	7.1%	0.01%	0.00%	0.0%	1.0%	0.8%	0.5%	0.0%
179		RECLASSIFIED LABOR ALLOCATOR - P			$AD$179=AD175/$I175	0.1%	0.0%	0.3%	10.5%	0.0%	69.9%	69.8%	12.4%	11.4%	17.1%	28.1%	0.03%	0.01%	0.0%	4.3%	3.4%	1.9%	0.0%
180		RECLASSIFIED LABOR ALLOCATOR - T(Sch 1, 7&8)			$AC$180=AP180+AQ180+AR180						0.0%	0.0%											

	B	C	D	E	F	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB
1	**Los Angeles Department of Water and Power**																		
2	**Statement**																		
3	**AI O&M Labor Expense**																		
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**																		
5	**(In Thousands of Dollars)**																		
6		**Legend**			**Error Check**														
7		Blue = Input costs		Calculated Totals	$ 7,511,593														
8		Green = from another tab		Check Totals	$ 7,511,593														
9		Black = equation		Difference	$ (0)														
10		Allocation Factors		Error Check															
11		Red = Calculation checks																	
12		Bold numbers = flow through to statement BK																	
13		Gray = Subtotals of certain columns																	
14																			
15																			
16																			
114																			
115												Transmission							
116					Reference	Total Transmission	Transmission San Francisquito	Transmission "All Entries" GL Category	Total ECC and Trans GRID	Total ECC Trans (Sch1) and Trans (Sch 7&8)	Total ECC	ECC Production	ECC Transmission (Schedule 1)	ECC Distribution	Transmission - GRID (Sch 7 and 8)	Transmission Lines	Transmission Other Operating Expense	Transmission Station (Substation)	Distribution O&M & Cust Accts/Cust Ser & Info
117		B.10 7 Factor Test Transmission Line Reclassification																	
118																			
119		B.10.1 Reclassify portion of 230kV OH Lines as Production Gen-tie																	
120		PINETREE BARREN-RIDGE LINE (Wind + Solar) ALLOCATOR			$AK$120='Allocation Factors'!AD123	$ -													
121		PINETREE BARREN-RIDGE LINE (Wind + Solar)			$AK$121=-AK120*AY121	$ (471)			$ (471)	$ (471)	$ -				$ (471)	$ (471)			
122		UPPER GORGE-MIDDLE GORGE			$P$122=-AY122	$ (155)			$ (155)	$ (155)	$ -				$ (155)	$ (155)			
123		MIDDLE GORGE-CONTROL GORGE			$Q$123=-AY123	$ (285)			$ (285)	$ (285)	$ -				$ (285)	$ (285)			
124		230 kV OH - CONTROL GORGE-INYO LINE to Production			$R$124=-AY124	$ (270)			$ (270)	$ (270)	$ -				$ (270)	$ (270)			
125																			
126		B.10.2 Reclassify 230kV UG and portion of 230kV OH Lines as Distribution																	
127		Reclassify Transmission lines to Distribution			$BB$127='7 Factor Summary'!G105	$ (3,053)			$ (3,053)	$ (3,053)	$ -				$ (3,053)	$ (3,053)			$ 3,053
128																			
129		B.10.3 Factor Olive Switchyard Reclassification																	
130																			
131																			
132		Switchyard Direct Assignment to Production (SF1 and SF2)																	
133		115kW LINE ALLOCATOR			$S$133='Allocation Factors'!O23														
134		Switchyard Direct Assignment to Production (SF1 and SF2)			$S$134=-S133*$BA$134	$ (238)			$ (238)	$ (238)	$ -				$ (238)			$ (238.164)	
135																			
136																			
137		Total 7 Factor Reclassifications			$BB$137=BB134+BB127+BB124+BB123+BB122+BB121	$ (4,472)	$ -	$ -	$ (4,472)	$ (4,472)	$ -	$ -	$ -	$ -	$ (4,472)	$ (4,234)	$ -	$ (238)	$ 3,053
138																			
139																			
140		Reclassified Labor Subtotal #11			$BB$140=BB137+BB111	$ 63,281	$ -	$ -	$ 63,281	$ 54,832	$ 15,008	$ 3,814	$ 6,559	$ 4,635	$ 48,273	$ 19,408	$ 19,303	$ 9,562	$ 299,140
141																			
142		B.11 Reclassify RS Labor to P,T,D																	
143		B.11.1 Receiving Station Labor	$ 5,572																
144																			
145		B.11.2 Remove RS From Distribution	Reclassified RS	Receiving Station Study Percentages															
146		Distribution Allocation	$ 2,987	53.62%	$BB$146=-D146	$ -			$ -	$ -	$ -				$ -				$ (2,987)
147		Production Allocation	$ 48	0.86%	$BB$147=-D147	$ -			$ -	$ -	$ -				$ -				$ (48)
148		Transmission Allocation	$ 2,537	45.53%	$BB$148=-D148	$ -			$ -	$ -	$ -				$ -				$ (2,537)
149		Total RS Reclassifications From Dist.	$ 5,572	100.00%	$BB$149=SUM(BB146:BB148)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (5,572)
150																			
151		B.11.3 Reclassify RS To P,T,D																	
152		LA BASIN LABOR ALLOCATOR AFTER SAFETY			$AD$152=AD140/$AC$140														
153		RS Reclassified to Production			$AD$153=-AD152*$BB$147	$ -				$ -	$ -				$ -				
154		RS Reclassified to Transmission			$A$21=-BB148	$ 2,537				$ 2,537	$ 2,537	$ -			$ 2,537			$ 2,537	
155		RS Reclassified to Distribution			$A$21=-BB146	$ -				$ -	$ -	$ -			$ -				$ 2,987
156		Total RS Reclassifications To P,T,D			$BB$156=SUM(BB153:BB155)	$ 2,537	$ -	$ -	$ 2,537	$ -	$ -	$ -	$ -	$ -	$ 2,537	$ -	$ -	$ 2,537	$ 2,987
157																			
158		Reclassified Labor Subtotal #11			$BB$158=BB156+BB149+BB140	$ 65,818	$ -	$ -	$ 65,818	$ 54,832	$ 15,008	$ 3,814	$ 6,559	$ 4,635	$ 50,810	$ 19,408	$ 19,303	$ 12,099	$ 296,556
159																			
160																			
161		B.12 Reclassify All Miscellaneous Labor to Sawtelle																	
162		Reclassify All Miscellaneous Labor to Sawtelle			$BD$162=-BD111	$ -			$ -		$ -				$ -				
163																			
164		Reclassified Labor(P,T(Sched 1 and 7&8),D			$I$164=I162+I158	$ 65,818	$ -	$ -	$ 65,818	$ 54,832	$ 15,008	$ 3,814	$ 6,559	$ 4,635	$ 50,810	$ 19,408	$ 19,303	$ 12,099	$ 296,556
165																			
166		ECC PRODUCTION LABOR ALLOCATOR			$AD$166=AD164/$I$164														
167																			
168		B.13 ECC Labor to P,T,D																	
169		ECC Labor			$AU$169=AU164	$ 15,008			$ 15,008	$ 3,814	$ 15,008	$ 3,814	$ 6,559	$ 4,635	$ -				
170		Allocate ECC Production to Stations			$AU$170=-AU164	$ (3,814)			$ (3,814)	$ (3,814)	$ (3,814)	$ (3,814)			$ -				
171		Allocate ECC Distribution to Distribution			$AW$171=-AW164	$ (4,635)			$ (4,635)	$ -	$ (4,635)			$ (4,635)	$ -				$ 4,635
172		Total ECC Allocated to P,T,D			$AW$172=SUM(AW169:AW171)	$ 6,559	$ -	$ -	$ 6,559	$ -	$ 6,559	$ -	$ 6,559	$ -	$ -	$ -	$ -	$ -	$ 4,635
173		LABOR ALLOCATOR (P,T(Sch 1),D) FOR ECC			$AD$173=AD172/$G172	43.7%			43.7%	43.70%	43.7%	0%	44%	0%	0.0%				31%
174																			
175		**Total Reclassified Labor (P,T(Sch 1, 7&8),D)**			$I$175=I170+I164+I171	**$ 57,368**	**$ -**	**$ -**	**$ 57,368**	**$ 51,017**	**$ 6,559**	**$ -**	**$ 6,559**	**$ -**	**$ 50,810**	**$ 19,408**	**$ 19,303**	**$ 12,099**	**$ 301,191**
176																			
177		**C. Reclassified Labor Ratios**																	
178		RECLASSIFIED LABOR ALLOCATOR (P,T(Sch 1, 7&8),D)			$AD$178=AD175/$G175	12.1%	0.0%	0.0%	12.1%	12.11%	1.4%	0.0%	1.4%	0.0%	10.7%	4.1%	4.1%	2.6%	63.6%
179		RECLASSIFIED LABOR ALLOCATOR - P			$AD$179=AD175/$I175				0.0%	0.00%	0.0%								
180		RECLASSIFIED LABOR ALLOCATOR - T(Sch 1, 7&8)			$AO$180=AP180+AQ180+AR180	100.0%			100.0%	100.00%	11.4%		11.4%		88.6%	33.8%	33.6%	21.1%	

	B	C	D	E	F	BC	BD	BE	BF	BG	BH
1		**Los Angeles Department of Water and Power**									
2		**Statement**									
3		**AI O&M Labor Expense**									
4		**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**									
5		**(In Thousands of Dollars)**									
6		**Legend**			**Error Check**						
7		Blue = Input costs		Calculated Totals	$ 7,511,593						
8		Green = from another tab		Check Totals	$ 7,511,593						
9		Black = equation		Difference	$ (0)						
10		Allocation Factors		Error Check							
11		Red = Calculation checks									
12		Bold numbers = flow through to statement BK									
13		Gray = Subtotals of certain columns									
14											
15											
16											
114											
115						Other GL Labor Categories					
116					Reference	Tank Farms	Miscellaneous	Owens Valley Common Hydro	Common Hydro Costs	Safety	Steam Common Costs
117		B.10 7 Factor Test Transmission Line Reclassification									
118											
119		B.10.1 Reclassify portion of 230kV OH Lines as Production Gen-tie									
120		PINETREE BARREN-RIDGE LINE (Wind + Solar) ALLOCATOR			$AK$120='Allocation Factors'!AD123						
121		PINETREE BARREN-RIDGE LINE (Wind + Solar)			$AK$121=-AK120*AY121						
122		UPPER GORGE-MIDDLE GORGE			$P$122=-AY122						
123		MIDDLE GORGE-CONTROL GORGE			$Q$123=-AY123						
124		230 kV OH - CONTROL GORGE-INYO LINE to Production			$R$124=-AY124						
125											
126		B.10.2 Reclassify 230kV UG and portion of 230kV OH Lines as Distribution									
127		Reclassify Transmission lines to Distribution			$BB$127='7 Factor Summary'!G105						
128											
129		B.10.3 Factor Olive Switchyard Reclassification									
130											
131											
132		Switchyard Direct Assignment to Production (SF1 and SF2)									
133		115kW LINE ALLOCATOR			$S$133='Allocation Factors'!O23						
134		Switchyard Direct Assignment to Production (SF1 and SF2)			$S$134=-S133*$BA$134						
135											
136											
137		Total 7 Factor Reclassifications			$BB$137=BB134+BB127+BB124+BB123+BB122+BB121	$ -	$ -	$ -	$ -	$ -	$ -
138											
139											
140		Reclassified Labor Subtotal #11			$BB$140=BB137+BB111	$ -	$ -	$ -	$ -	$ -	$ -
141											
142		B.11 Reclassify RS Labor to P,T,D									
143		B.11.1 Receiving Station Labor	$ 5,572								
144											
145		B.11.2 Remove RS From Distribution	Reclassified RS	Receiving Station Study Percentages							
146		Distribution Allocation	$ 2,987	53.62%	$BB$146=-D146						
147		Production Allocation	$ 48	0.86%	$BB$147=-D147						
148		Transmission Allocation	$ 2,537	45.53%	$BB$148=-D148						
149		Total RS Reclassifications From Dist.	$ 5,572	100.00%	$BB$149=SUM(BB146:BB148)	$ -	$ -	$ -	$ -	$ -	$ -
150											
151		B.11.3 Reclassify RS To P,T,D									
152		LA BASIN LABOR ALLOCATOR AFTER SAFETY			$AD$152=AD140/$AC$140						
153		RS Reclassified to Production			$AD$153=-AD152*$BB$147						
154		RS Reclassified to Transmission			$A$21=-BB148						
155		RS Reclassified to Distribution			$A$21=-BB146						
156		Total RS Reclassifications To P,T,D			$BB$156=SUM(BB153:BB155)	$ -	$ -	$ -	$ -	$ -	$ -
157											
158		Reclassified Labor Subtotal #11			$BB$158=BB156+BB149+BB140	$ -	$ -	$ -	$ -	$ -	$ -
159											
160											
161		B.12 Reclassify All Miscellaneous Labor to Sawtelle									
162		Reclassify All Miscellaneous Labor to Sawtelle			$BD$162=-BD111		$ -				
163											
164		Reclassified Labor(P,T(Sched 1 and 7&8),D			$I$164=I162+I158	$ -	$ -	$ -	$ -	$ -	$ -
165											
166		ECC PRODUCTION LABOR ALLOCATOR			$AD$166=AD164/$I$164						
167											
168		B.13 ECC Labor to P,T,D									
169		ECC Labor			$AU$169=AU164						
170		Allocate ECC Production to Stations			$AU$170=-AU164						
171		Allocate ECC Distribution to Distribution			$AW$171=-AW164						
172		Total ECC Allocated to P,T,D			$AW$172=SUM(AW169:AW171)						
173		LABOR ALLOCATOR (P,T(Sch 1),D) FOR ECC			$AD$173=AD172/$G172						
174											
175		**Total Reclassified Labor (P,T(Sch 1, 7&8),D)**			$I$175=I170+I164+I171						
176											
177		**C. Reclassified Labor Ratios**									
178		RECLASSIFIED LABOR ALLOCATOR (P,T(Sch 1, 7&8),D)			$AD$178=AD175/$G175						
179		RECLASSIFIED LABOR ALLOCATOR - P			$AD$179=AD175/$I175						
180		RECLASSIFIED LABOR ALLOCATOR - T(Sch 1, 7&8)			$AC$180=AP180+AQ180+AR180						

Los Angeles Department of Water and Power
Statement
AJ Depreciation and Amortization Expenses as booked for FY 18/19
Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)
(in Thousands of Dollars)

Legend
Blue = Input costs
Green = from another tab
Black = equation
Allocation Factors
Red = Calculation checks
Bold numbers = flow through to statement BK
Gray = Subtotals of certain columns

Error Check	
Calculated Totals	$ 1,579,774
Check Totals	$ 1,579,774
Difference	$ -
Error Check	

H. GENERAL PLANT DEPRECIATION	Reference		Total P,T,D	Total P and T	Total Production Stations	Total Hydro With Common Hydro	Common Hydro	Total Hydro With Owens Valley	Total Owens Valley with OV Common Costs	Owens Valley Common	
LADWP's Power Plant System / GL records general plant depreciation in Transmission, Distribution, and Production. For ratemaking purposes, general plant is pulled out of these functions and reclassified to Production, Transmission and Distribution using the reclassified labor allocator.											
H.1 GL/Power Plant General Depreciation											
Item		General Plant									
General Depreciation in GL Transmission Depreciation	$E$300=-AX162	$ 3,716									
General Depreciation in GL Distribution Depreciation	$E$301=-AY224	$ 18,232									
General Depreciation in Power Plant "Steam" Depreciation*	LADWP Power Plant	$ 11,499									
General Plant Depreciation	$E$303=SUM(E300:E302)	$ 33,448	$ -	$ -	$ -	$ -		$ -	$ -		
H.2 Allocation of General Plant to Production, Transmission and Distribution											
RECLASSIFIED LABOR ALLOCATOR (P,T(Sch 1, 7&8),D)	$O$307='Allocation Factors'!H83		100.00%	36.40%	24.28%	4.99%		4.99%	1.33%		
General Plant Depreciation Allocated to P,T,D	$O$308=-O307*$AZ$308		$ 33,448	$ 12,174	$ 8,123	$ 1,670		$ 1,670	$ 445		
H.3 Remove Units that do not provide AS											
Remove Harbor U 6&7 (retired)	$AK$311=-(Harbor!M115+Harbor!N115)		$ (0)	$ (0)	$ (0)	$ -		$ -	$ -		
Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$AN$312=-'Haynes Expense'!G101		$ (103)	$ (103)	$ (103)	$ -		$ -	$ -		
Remove Valley U 3& 4 (retired)	$AL$313=-Valley!E116		$ (56)	$ (56)	$ (56)	$ -		$ -	$ -		
Remove Scattergood U3 (retired)	$AM$314=-'Sctrgd Expense'!R106		$ (1)	$ (1)	$ (1)	$ -		$ -	$ -		
Remove Castaic Unit 7 (does not provide AS)	$AC$315=-Castaic!O106		$ (107)	$ (107)	$ (107)	$ (107)		$ (107)	$ -		
Remove San Francisquito 2 Unit 1 (not in service)	$W$316=-'San Francisquito 2'!$F$22*W308		$ (22)	$ (22)	$ (22)	$ (22)		$ (22)	$ -		
Remove Division Creek (not in service)	$P$317=-P308		$ (3)	$ (3)	$ (3)	$ (3)		$ (3)	$ (3)		
Total Steam Removals	$R$318=SUM(R311:R317)		$ (294)	$ (294)	$ (294)	$ (133)	$ -	$ (133)	$ (3)	$ -	
Total General Plant Depreciation	$F$320=F308+F318+F303		**$ 33,154**	**$ 11,881**	**$ 7,829**	**$ 1,537**	**$ -**	**$ 1,537**	**$ 442**	**$ -**	
I. ECC DEPRECIATION CLASSIFIED TO GENERAL PLANT											
The ECC facilities contain communication and other equipment that is labor intensive that supports in the operation of the production, transmission and distribution system and due to its labor intensive use of the equipment, it is reclassified to general plant. Once reclassified to general plant, ECC is reclassified to production, transmission and distribution using the Reclassified Labor allocator. For the ECC plant allocated to Transmission, the entire amount is allocated to Schedule 1.											
I.1 Allocate ECC Depreciation to P,T,D											
LABOR ALLOCATOR (P,T(Sch 1),D) FOR ECC	$O$327='Allocation Factors'!$H$85		100.00%	69.12%	25.42%	5.22%		5.22%	1.39%		
Reclassified ECC Before Removal of Units	$O$328=-O327*$AZ$328		$ 932	$ 644	$ 237	$ 49	$ -	$ 49	$ 13		
I.2 Remove Units that do not provide AS											
Remove Harbor U 6&7 (retired)	$AK$331=-(Harbor!M113+Harbor!N113)		$ (0)	$ (0)	$ (0)	$ -		$ -	$ -		
Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$AN$332=-'Haynes Expense'!G99		$ (3)	$ (3)	$ (3)	$ -		$ -	$ -		
Remove Valley U 3& 4 (retired)	$AL$333=-Valley!E114		$ (2)	$ (2)	$ (2)	$ -		$ -	$ -		
Remove Scattergood U3 (retired)	$AM$334=-'Sctrgd Expense'!R104		$ (0)	$ (0)	$ (0)	$ -		$ -	$ -		
Remove Castaic Unit 7 (does not provide AS)	$AC$335=-Castaic!O104		$ (3)	$ (3)	$ (3)	$ (3)		$ (3)	$ -		
Remove San Francisquito 2 Unit 1 (not in service)	$W$336=-'San Francisquito 2'!$F$22*W327		$ (0)	$ (0)	$ (0)	$ (0)		$ (0)	$ -		
Remove Division Creek (not in service)	$P$337=-P328		$ (0)	$ (0)	$ (0)	$ (0)		$ (0)	$ (0)		
Total Steam Removals	$R$338=SUM(R331:R337)		$ (8)	$ (8)	$ (8)	$ (3)	$ -	$ (3)	$ (0)	$ -	
Total ECC Reclassified to General Plant	**$O$340=O338+O328**		**$ 924**	**$ 636**	**$ 229**	**$ 45**	**$ -**	**$ 45**	**$ 13**	**$ -**	
Check											
Total Reclassified Depreciation Expense (Excl. Decomissioning Expense)	$F$343=+F340+F320+F289+F202+F148+F125+F116+F246+F66		$ 621,513	$ 236,810	$ 184,463	$ 19,170	$ -	$ 19,170	$ 4,352	$ -	
Check			$ 621,513								
J. DECOMMISSIONING EXPENSE											
Decommissioning Expense	$F$347=H347+AV347+AY347		$ 16,430	$ 16,430	$ 16,430	$ -		$ -	$ -		

	A	B	C	D	E	N	O	P	Q	R	S	T	U
1			**Los Angeles Department of Water and Power**										
2			**Statement**										
3			**AJ Depreciation and Amortization Expenses as booked for FY 18/19**										
4			**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**										
5			**(in Thousands of Dollars)**										
6					**Error Check**								
7			**Legend**	Calculated Totals	$ 1,579,774								
8			Blue = Input costs	Check Totals	$ 1,579,774								
9			Green = from another tab	Difference	$ -								
10			Black = equation	Error Check									
11			Allocation Factors										
12			Red = Calculation checks										
13			**Bold numbers** = flow through to statement BK										
14			Gray = Subtotals of certain columns										
15													
16													
291							Owens Valley						
292							Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro
293			**H. GENERAL PLANT DEPRECIATION**	Reference		Total Owens Valley Before OV Common Costs	Cottonwood	Division Creek	Big Pine	Pleasant Valley	Upper Gorge	Middle Gorge	Control Gorge
294													
295			LADWP's Power Plant System / GL records general plant depreciation in Transmission, Distribution, and Production. For ratemaking purposes, general plant is pulled out of these functions and reclassified to Production, Transmission and Distribution using the reclassified labor allocator.										
296													
297			**H.1 GL/Power Plant General Depreciation**										
298													
299			Item		General Plant								
300			General Depreciation in GL Transmission Depreciation	$E$300=-AX162	$ 3,716								
301			General Depreciation in GL Distribution Depreciation	$E$301=-AY224	$ 18,232								
302			General Depreciation in Power Plant "Steam" Depreciation*	LADWP Power Plant	$ 11,499								
303			General Plant Depreciation	$E$303=SUM(E300:E302)	$ 33,448	$ -							
304													
305			**H.2 Allocation of General Plant to Production, Transmission and Distribution**										
306													
307			RECLASSIFIED LABOR ALLOCATOR (P,T(Sch 1, 7&8),D)	$O$307='Allocation Factors'!H83		1.33%	0.10%	0.01%	0.08%	0.17%	0.13%	0.43%	0.41%
308			General Plant Depreciation Allocated to P,T,D	$O$308=-O307*$AZ$308		$ 445	$ 34	$ 3	$ 27	$ 57	$ 44	$ 143	$ 137
309													
310			**H.3 Remove Units that do not provide AS**										
311			Remove Harbor U 6&7 (retired)	$AK$311=-(Harbor!M115+Harbor!N115)		$ -							
312			Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$AN$312='Haynes Expense'!G101		$ -							
313			Remove Valley U 3& 4 (retired)	$AL$313=-Valley!E116		$ -							
314			Remove Scattergood U3 (retired)	$AM$314='Sctrgd Expense'!R106		$ -							
315			Remove Castaic Unit 7 (does not provide AS)	$AC$315=-Castaic!O106		$ -							
316			Remove San Francisquito 2 Unit 1 (not in service)	$W$316='San Francisquito 2'!$F$22*W308		$ -							
317			Remove Division Creek (not in service)	$P$317=-P308		$ (3)		(3)					
318			Total Steam Removals	$R$318=SUM(R311:R317)		$ (3)	$ -	$ (3)	$ -	$ -	$ -	$ -	$ -
319													
320			Total General Plant Depreciation	$F$320=F308+F318+F303		**$ 442**	**$ 34**	**$ -**	**$ 27**	**$ 57**	**$ 44**	**$ 143**	**$ 137**
321													
322			**I. ECC DEPRECIATION CLASSIFIED TO GENERAL PLANT**										
323													
324			The ECC facilities contain communication and other equipment that is labor intensive that supports in the operation of the production, transmission and distribution system and due to its labor intensive use of the equipment, it is reclassified to general plant. Once reclassified to general plant, ECC is reclassified to production, transmission and distribution using the Reclassified Labor allocator. For the ECC plant allocated to Transmission, the entire amount is allocated to Schedule 1.										
325													
326			**I.1 Allocate ECC Depreciation to P,T,D**										
327			LABOR ALLOCATOR (P,T(Sch 1),D) FOR ECC	$O$327='Allocation Factors'!$H$85		1.39%	0.11%	0.01%	0.08%	0.18%	0.14%	0.45%	0.43%
328			Reclassified ECC Before Removal of Units	$O$328=-O327*$AZ$328		$ 13	$ 1	$ 0	$ 1	$ 2	$ 1	$ 4	$ 4
329													
330			**I.2 Remove Units that do not provide AS**										
331			Remove Harbor U 6&7 (retired)	$AK$331=-(Harbor!M113+Harbor!N113)		$ -							
332			Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$AN$332='Haynes Expense'!G99		$ -							
333			Remove Valley U 3& 4 (retired)	$AL$333=-Valley!E114		$ -							
334			Remove Scattergood U3 (retired)	$AM$334='Sctrgd Expense'!R104		$ -							
335			Remove Castaic Unit 7 (does not provide AS)	$AC$335=-Castaic!O104		$ -							
336			Remove San Francisquito 2 Unit 1 (not in service)	$W$336='San Francisquito 2'!$F$22*W327		$ -							
337			Remove Division Creek (not in service)	$P$337=-P328		$ (0)		(0)					
338			Total Steam Removals	$R$338=SUM(R331:R337)		$ (0)	$ -	$ (0)	$ -	$ -	$ -	$ -	$ -
339													
340			**Total ECC Reclassified to General Plant**	**$O$340=O338+O328**		**$ 13**	**$ 1**	**$ -**	**$ 1**	**$ 2**	**$ 1**	**$ 4**	**$ 4**
341			Check										
342													
343			Total Reclassified Depreciation Expense (Excl. Decomissioning Expense)	$F$343=+F340+F320+F289+F202+F148+F125+F116+F246+F66		$ 4,352	$ 283	$ -	$ 176	$ 183	$ 1,035	$ 1,177	$ 1,497
344			Check										
345													
346			**J. DECOMMISSIONING EXPENSE**										
347			Decommissioning Expense	$F$347=H347+AV347+AY347		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
348													

	A	B	C	D	E	V	W	X	Y	Z	AA	AB	AC	AD
1			**Los Angeles Department of Water and Power**											
2			**Statement**											
3			**AJ Depreciation and Amortization Expenses as booked for FY 18/19**											
4			**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**											
5			**(in Thousands of Dollars)**											
6					**Error Check**									
7			**Legend**	Calculated Totals	$ 1,579,774									
8			Blue = Input costs	Check Totals	$ 1,579,774									
9			Green = from another tab	Difference	$ -									
10			Black = equation	Error Check										
11			Allocation Factors											
12			Red = Calculation checks											
13			**Bold numbers** = flow through to statement BK											
14			Gray = Subtotals of certain columns											
15														
16														
291														
292						Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro
293			**H. GENERAL PLANT DEPRECIATION**	Reference		S.F. 1	S.F. 2	San Fernando	Foothill	Franklin	Sawtelle	Haiwee	Pump Storage Castaic	Hoover
294														
295			LADWP's Power Plant System / GL records general plant depreciation in Transmission, Distribution, and Production. For ratemaking purposes, general plant is pulled out of these functions and reclassified to Production, Transmission and Distribution using the reclassified labor allocator.											
296														
297			**H.1 GL/Power Plant General Depreciation**											
298														
299			Item		General Plant									
300			General Depreciation in GL Transmission Depreciation	$E$300=-AX162	$ 3,716									
301			General Depreciation in GL Distribution Depreciation	$E$301=-AY224	$ 18,232									
302			General Depreciation in Power Plant "Steam" Depreciation*	LADWP Power Plant	$ 11,499									
303			General Plant Depreciation	$E$303=SUM(E300:E302)	$ 33,448									
304														
305			**H.2 Allocation of General Plant to Production, Transmission and Distribution**											
306														
307			RECLASSIFIED LABOR ALLOCATOR (P,T(Sch 1, 7&8),D)	$O$307='Allocation Factors'!H83		0.63%	0.22%	0.08%	0.11%	0.01%	0.00%	0.07%	2.54%	0.00%
308			General Plant Depreciation Allocated to P,T,D	$O$308=-O307*$AZ$308		$ 209	$ 73	$ 28	$ 37	$ 4	$ -	$ 23	$ 850	$ -
309														
310			**H.3 Remove Units that do not provide AS**											
311			Remove Harbor U 6&7 (retired)	$AK$311=-(Harbor!M115+Harbor!N115)										
312			Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$AN$312='Haynes Expense'!G101										
313			Remove Valley U 3& 4 (retired)	$AL$313=-Valley!E116										
314			Remove Scattergood U3 (retired)	$AM$314='Sctrgd Expense'!R106										
315			Remove Castaic Unit 7 (does not provide AS)	$AC$315=-Castaic!O106									$ (107)	
316			Remove San Francisquito 2 Unit 1 (not in service)	$W$316='San Francisquito 2'!$F$22*W308			$ (22)							
317			Remove Division Creek (not in service)	$P$317=-P308										
318			Total Steam Removals	$R$318=SUM(R311:R317)		$ -	$ (22)	$ -	$ -	$ -	$ -	$ -	$ (107)	$ -
319														
320			Total General Plant Depreciation	$F$320=F308+F318+F303		**$ 209**	**$ 51**	**$ 28**	**$ 37**	**$ 4**	**$ -**	**$ 23**	**$ 743**	**$ -**
321														
322			**I. ECC DEPRECIATION CLASSIFIED TO GENERAL PLANT**											
323														
324			The ECC facilities contain communication and other equipment that is labor intensive that supports in the operation of the production, transmission and distribution system and due to its labor intensive use of the equipment, it is reclassified to general plant. Once reclassified to general plant, ECC is reclassified to production, transmission and distribution using the Reclassified Labor allocator. For the ECC plant allocated to Transmission, the entire amount is allocated to Schedule 1.											
325														
326			**I.1 Allocate ECC Depreciation to P,T,D**											
327			LABOR ALLOCATOR (P,T(Sch 1),D) FOR ECC	$O$327='Allocation Factors'!$H$85		0.65%	0.23%	0.09%	0.12%	0.01%	0.00%	0.07%	2.66%	0.00%
328			Reclassified ECC Before Removal of Units	$O$328=-O327*$AZ$328		$ 6	$ 2	$ 1	$ 1	$ 0	$ -	$ 1	$ 25	$ -
329														
330			**I.2 Remove Units that do not provide AS**											
331			Remove Harbor U 6&7 (retired)	$AK$331=-(Harbor!M113+Harbor!N113)										
332			Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$AN$332='Haynes Expense'!G99										
333			Remove Valley U 3& 4 (retired)	$AL$333=-Valley!E114										
334			Remove Scattergood U3 (retired)	$AM$334='Sctrgd Expense'!R104										
335			Remove Castaic Unit 7 (does not provide AS)	$AC$335=-Castaic!O104									$ (3.11)	
336			Remove San Francisquito 2 Unit 1 (not in service)	$W$336='San Francisquito 2'!$F$22*W327			$ (0)							
337			Remove Division Creek (not in service)	$P$337=-P328										
338			Total Steam Removals	$R$338=SUM(R331:R337)		$ -	$ (0)	$ -	$ -	$ -	$ -	$ -	$ (3)	$ -
339														
340			**Total ECC Reclassified to General Plant**	**$O$340=O338+O328**		**$ 6**	**$ 2**	**$ 1**	**$ 1**	**$ 0**	**$ -**	**$ 1**	**$ 22**	**$ -**
341			Check											
342														
343			Total Reclassified Depreciation Expense (Excl. Decomissioning Expense)	$F$343=+F340+F320+F289+F202+F148+F125+F116+F246+F66		$ 819	$ 378	$ 88	$ 102	$ 70	$ -	$ 293	$ 13,068	$ 0
344			Check											
345														
346			**J. DECOMMISSIONING EXPENSE**											
347			Decommissioning Expense	$F$347=H347+AV347+AY347		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
348														

Los Angeles Department of Water and Power
Statement
AJ Depreciation and Amortization Expenses as booked for FY 18/19
Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)
(in Thousands of Dollars)

Legend
Blue = Input costs
Green = from another tab
Black = equation
Allocation Factors
Red = Calculation checks
Bold numbers = flow through to statement BK
Gray = Subtotals of certain columns

Error Check	
Calculated Totals	$ 1,579,774
Check Totals	$ 1,579,774
Difference	$ -
Error Check	

			AE	AF	AG	AH	AI	AJ	AK	AL
									LA BASIN	
			Steam		Steam	Steam	Steam	Steam	Steam	Steam
H. GENERAL PLANT DEPRECIATION	Reference		Total Steam with Tank Farms	Tank Farms	Total Steam	Total LA BASIN with LA Basin Common	LA Basin Common Steam	Total LA Basin	Harbor	Valley
LADWP's Power Plant System / GL records general plant depreciation in Transmission, Distribution, and Production. For ratemaking purposes, general plant is pulled out of these functions and reclassified to Production, Transmission and Distribution using the reclassified labor allocator.										
H.1 GL/Power Plant General Depreciation										
Item		General Plant								
General Depreciation in GL Transmission Depreciation	$E$300=-AX162	$ 3,716								
General Depreciation in GL Distribution Depreciation	$E$301=-AY224	$ 18,232								
General Depreciation in Power Plant "Steam" Depreciation*	LADWP Power Plant	$ 11,499								
General Plant Depreciation	$E$303=SUM(E300:E302)	$ 33,448	$ -		$ -	$ -		$ -		
H.2 Allocation of General Plant to Production, Transmission and Distribution										
RECLASSIFIED LABOR ALLOCATOR (P,T(Sch 1, 7&8),D)	$O$307='Allocation Factors'!H83		16.97%		16.97%	16.95%		16.95%	3.00%	2.76%
General Plant Depreciation Allocated to P,T,D	$O$308=-O307*$AZ$308		$ 5,675		$ 5,675	$ 5,671		$ 5,671	$ 1,003	$ 923
H.3 Remove Units that do not provide AS										
Remove Harbor U 6&7 (retired)	$AK$311=-(Harbor!M115+Harbor!N115)		$ (0)		$ (0)	$ (0)		$ (0)	$ (0.07)	
Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$AN$312=-'Haynes Expense'!G101		$ (103)		$ (103)	$ (103)		$ (103)		
Remove Valley U 3& 4 (retired)	$AL$313=-Valley!E116		$ (56)		$ (56)	$ (56)		$ (56)		$ (56)
Remove Scattergood U3 (retired)	$AM$314=-'Sctrgd Expense'!R106		$ (1)		$ (1)	$ (1)		$ (1)		
Remove Castaic Unit 7 (does not provide AS)	$AC$315=-Castaic!O106		$ -		$ -	$ -		$ -		
Remove San Francisquito 2 Unit 1 (not in service)	$W$316=-'San Francisquito 2'!$F$22*W308		$ -		$ -	$ -		$ -		
Remove Division Creek (not in service)	$P$317=-P308		$ -		$ -	$ -		$ -		
Total Steam Removals	$R$318=SUM(R311:R317)		$ (161)	$ -	$ (161)	$ (161)	$ -	$ (161)	$ (0)	$ (56)
Total General Plant Depreciation	$F$320=F308+F318+F303		**$ 5,514**	**$ -**	**$ 5,514**	**$ 5,510**	**$ -**	**$ 5,510**	**$ 1,003**	**$ 866**
I. ECC DEPRECIATION CLASSIFIED TO GENERAL PLANT										
The ECC facilities contain communication and other equipment that is labor intensive that supports in the operation of the production, transmission and distribution system and due to its labor intensive use of the equipment, it is reclassified to general plant. Once reclassified to general plant, ECC is reclassified to production, transmission and distribution using the Reclassified Labor allocator. For the ECC plant allocated to Transmission, the entire amount is allocated to Schedule 1.										
I.1 Allocate ECC Depreciation to P,T,D										
LABOR ALLOCATOR (P,T(Sch 1),D) FOR ECC	$O$327='Allocation Factors'!$H$85		17.76%		17.76%	17.74%		17.74%	3.14%	2.89%
Reclassified ECC Before Removal of Units	$O$328=-O327*$AZ$328		$ 165		$ 165	$ 165		$ 165	$ 29	$ 27
I.2 Remove Units that do not provide AS										
Remove Harbor U 6&7 (retired)	$AK$331=-(Harbor!M113+Harbor!N113)		$ (0)		$ (0)	$ (0)		$ (0)	$ (0)	
Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$AN$332=-'Haynes Expense'!G99		$ (3)		$ (3)	$ (3)		$ (3)		
Remove Valley U 3& 4 (retired)	$AL$333=-Valley!E114		$ (2)		$ (2)	$ (2)		$ (2)		$ (2)
Remove Scattergood U3 (retired)	$AM$334=-'Sctrgd Expense'!R104		$ (0)		$ (0)	$ (0)		$ (0)		
Remove Castaic Unit 7 (does not provide AS)	$AC$335=-Castaic!O104		$ -		$ -	$ -		$ -		
Remove San Francisquito 2 Unit 1 (not in service)	$W$336=-'San Francisquito 2'!$F$22*W327		$ -		$ -	$ -		$ -		
Remove Division Creek (not in service)	$P$337=-P328		$ -		$ -	$ -		$ -		
Total Steam Removals	$R$338=SUM(R331:R337)		$ (5)	$ -	$ (5)	$ (5)	$ -	$ (5)	$ (0)	$ (2)
Total ECC Reclassified to General Plant	**$O$340=O338+O328**		**$ 161**	**$ -**	**$ 161**	**$ 161**	**$ -**	**$ 161**	**$ 29**	**$ 25**
Check										
Total Reclassified Depreciation Expense (Excl. Decomissioning Expense)	$F$343=+F340+F320+F289+F202+F148+F125+F116+F246+F66		$ 122,510	$ -	$ 122,510	$ 122,500	$ -	$ 122,500	$ 14,226	$ 18,968
Check										
J. DECOMMISSIONING EXPENSE										
Decommissioning Expense	$F$347=H347+AV347+AY347		$ 14,846		$ 14,846	$ -		$ -	$ -	$ -

Los Angeles Department of Water and Power
Statement
AJ Depreciation and Amortization Expenses as booked for FY 18/19
Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)
(in Thousands of Dollars)

Legend
Blue = Input costs
Green = from another tab
Black = equation
Allocation Factors
Red = Calculation checks
Bold numbers = flow through to statement BK
Gray = Subtotals of certain columns

Error Check	
Calculated Totals	$ 1,579,774
Check Totals	$ 1,579,774
Difference	$ -
Error Check	

			AM	AN	AO	AP	AQ	AR	AS	AT	AU
			Steam	Steam	Steam	Steam	Nuclear	Other Prod	Other Prod	Other Prod	Other Prod
H. GENERAL PLANT DEPRECIATION	Reference		Scattergood	Haynes	Navajo	Mohave	Palo Verde	Wind	Solar	Other	Beacon Battery Storage
LADWP's Power Plant System / GL records general plant depreciation in Transmission, Distribution, and Production. For ratemaking purposes, general plant is pulled out of these functions and reclassified to Production, Transmission and Distribution using the reclassified labor allocator.											
H.1 GL/Power Plant General Depreciation											
Item		General Plant									
General Depreciation in GL Transmission Depreciation	$E$300=-AX162	$ 3,716									
General Depreciation in GL Distribution Depreciation	$E$301=-AY224	$ 18,232									
General Depreciation in Power Plant "Steam" Depreciation*	LADWP Power Plant	$ 11,499									
General Plant Depreciation	$E$303=SUM(E300:E302)	$ 33,448									
H.2 Allocation of General Plant to Production, Transmission and Distribution											
RECLASSIFIED LABOR ALLOCATOR (P,T(Sch 1, 7&8),D)	$O$307='Allocation Factors'!H83		4.14%	7.06%	0.01%	0.00%	0.00%	1.04%	0.81%	0.47%	0.00%
General Plant Depreciation Allocated to P,T,D	$O$308=-O307*$AZ$308		$ 1,385	$ 2,360	$ 3	$ 1	$ -	$ 349	$ 272	$ 157	$ 0
H.3 Remove Units that do not provide AS											
Remove Harbor U 6&7 (retired)	$AK$311=-(Harbor!M115+Harbor!N115)										
Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$AN$312=-'Haynes Expense'!G101			$ (103)							
Remove Valley U 3& 4 (retired)	$AL$313=-Valley!E116										
Remove Scattergood U3 (retired)	$AM$314=-'Sctrgd Expense'!R106		$ (1)								
Remove Castaic Unit 7 (does not provide AS)	$AC$315=-Castaic!O106										
Remove San Francisquito 2 Unit 1 (not in service)	$W$316=-'San Francisquito 2'!$F$22*W308										
Remove Division Creek (not in service)	$P$317=-P308										
Total Steam Removals	$R$318=SUM(R311:R317)		$ (1)	$ (103)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total General Plant Depreciation	$F$320=F308+F318+F303		**$ 1,384**	**$ 2,257**	**$ 3**	**$ 1**	**$ -**	**$ 349**	**$ 272**	**$ 157**	**$ 0**
I. ECC DEPRECIATION CLASSIFIED TO GENERAL PLANT											
The ECC facilities contain communication and other equipment that is labor intensive that supports in the operation of the production, transmission and distribution system and due to its labor intensive use of the equipment, it is reclassified to general plant. Once reclassified to general plant, ECC is reclassified to production, transmission and distribution using the Reclassified Labor allocator. For the ECC plant allocated to Transmission, the entire amount is allocated to Schedule 1.											
I.1 Allocate ECC Depreciation to P,T,D											
LABOR ALLOCATOR (P,T(Sch 1),D) FOR ECC	$O$327='Allocation Factors'!$H$85		4.33%	7.39%	0.01%	0.00%	0.00%	1.09%	0.85%	0.49%	0.00%
Reclassified ECC Before Removal of Units	$O$328=-O327*$AZ$328		$ 40	$ 69	$ 0	$ 0	$ -	$ 10	$ 8	$ 5	$ 0
I.2 Remove Units that do not provide AS											
Remove Harbor U 6&7 (retired)	$AK$331=-(Harbor!M113+Harbor!N113)										
Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$AN$332=-'Haynes Expense'!G99			$ (3)							
Remove Valley U 3& 4 (retired)	$AL$333=-Valley!E114										
Remove Scattergood U3 (retired)	$AM$334=-'Sctrgd Expense'!R104		$ (0)								
Remove Castaic Unit 7 (does not provide AS)	$AC$335=-Castaic!O104										
Remove San Francisquito 2 Unit 1 (not in service)	$W$336=-'San Francisquito 2'!$F$22*W327										
Remove Division Creek (not in service)	$P$337=-P328										
Total Steam Removals	$R$338=SUM(R331:R337)		$ (0)	$ (3)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total ECC Reclassified to General Plant	**$O$340=O338+O328**		**$ 40**	**$ 66**	**$ 0**	**$ 0**	**$ -**	**$ 10**	**$ 8**	**$ 5**	**$ 0**
Check											
Total Reclassified Depreciation Expense (Excl. Decomissioning Expense)	$F$343=+F340+F320+F289+F202+F148+F125+F116+F246+F66		$ 42,473	$ 46,834	$ 7	$ 3	$ 9,744	$ 19,806	$ 9,590	$ 363	$ 3,280
Check											
J. DECOMMISSIONING EXPENSE											
Decommissioning Expense	$F$347=H347+AV347+AY347		$ -	$ -	$ 14,846		$ 596		$ 989		

	A	B	C	D	E	AV	AW	AX	AY	AZ
1			**Los Angeles Department of Water and Power**							
2			**Statement**							
3			**AJ Depreciation and Amortization Expenses as booked for FY 18/19**							
4			**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**							
5			**(in Thousands of Dollars)**							
6					**Error Check**					
7			**Legend**	Calculated Totals	$ 1,579,774					
8			Blue = Input costs	Check Totals	$ 1,579,774					
9			Green = from another tab	Difference	$ -					
10			Black = equation	Error Check						
11			Allocation Factors							
12			Red = Calculation checks							
13			**Bold numbers** = flow through to statement BK							
14			Gray = Subtotals of certain columns							
15										
16										
291										
292						Transmission				
293			**H. GENERAL PLANT DEPRECIATION**	Reference		Total Transmission	Transmission ECC (Sch. 1)	Transmission GRID (Sch 7 and 8)	Distribution	General Plant
294										
295			LADWP's Power Plant System / GL records general plant depreciation in Transmission, Distribution, and Production. For ratemaking purposes, general plant is pulled out of these functions and reclassified to Production, Transmission and Distribution using the reclassified labor allocator.							
296										
297			**H.1 GL/Power Plant General Depreciation**							
298										
299			Item		General Plant					
300			General Depreciation in GL Transmission Depreciation	$E$300=-AX162	$ 3,716					
301			General Depreciation in GL Distribution Depreciation	$E$301=-AY224	$ 18,232					
302			General Depreciation in Power Plant "Steam" Depreciation*	LADWP Power Plant	$ 11,499					
303			General Plant Depreciation	$E$303=SUM(E300:E302)	$ 33,448					$ 33,448
304										
305			**H.2 Allocation of General Plant to Production, Transmission and Distribution**							
306										
307			RECLASSIFIED LABOR ALLOCATOR (P,T(Sch 1, 7&8),D)	$O$307='Allocation Factors'!H83		12.11%	1.38%	10.73%	63.60%	
308			General Plant Depreciation Allocated to P,T,D	$O$308=-O307*$AZ$308		$ 4,052	$ 463	$ 3,589	$ 21,273	$ (33,448)
309										
310			**H.3 Remove Units that do not provide AS**							
311			Remove Harbor U 6&7 (retired)	$AK$311=-(Harbor!M115+Harbor!N115)						
312			Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$AN$312=-'Haynes Expense'!G101						
313			Remove Valley U 3& 4 (retired)	$AL$313=-Valley!E116						
314			Remove Scattergood U3 (retired)	$AM$314=-'Sctrgd Expense'!R106						
315			Remove Castaic Unit 7 (does not provide AS)	$AC$315=-Castaic!O106						
316			Remove San Francisquito 2 Unit 1 (not in service)	$W$316=-'San Francisquito 2'!$F$22*W308						
317			Remove Division Creek (not in service)	$P$317=-P308						
318			Total Steam Removals	$R$318=SUM(R311:R317)		$ -	$ -	$ -	$ -	$ -
319										
320			Total General Plant Depreciation	$F$320=F308+F318+F303		**$ 4,052**	**$ 463**	**$ 3,589**	**$ 21,273**	**$ -**
321										
322			**I. ECC DEPRECIATION CLASSIFIED TO GENERAL PLANT**							
323										
324			The ECC facilities contain communication and other equipment that is labor intensive that supports in the operation of the production, transmission and distribution system and due to its labor intensive use of the equipment, it is reclassified to general plant. Once reclassified to general plant, ECC is reclassified to production, transmission and distribution using the Reclassified Labor allocator. For the ECC plant allocated to Transmission, the entire amount is allocated to Schedule 1.							
325										
326			**I.1 Allocate ECC Depreciation to P,T,D**							
327			LABOR ALLOCATOR (P,T(Sch 1),D) FOR ECC	$O$327='Allocation Factors'!$H$85		43.70%	43.70%	0.00%	30.88%	
328			Reclassified ECC Before Removal of Units	$O$328=-O327*$AZ$328		$ 407	$ 407	$ -	$ 288	$ (932)
329										
330			**I.2 Remove Units that do not provide AS**							
331			Remove Harbor U 6&7 (retired)	$AK$331=-(Harbor!M113+Harbor!N113)		$ -				
332			Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$AN$332=-'Haynes Expense'!G99		$ -				
333			Remove Valley U 3& 4 (retired)	$AL$333=-Valley!E114		$ -				
334			Remove Scattergood U3 (retired)	$AM$334=-'Sctrgd Expense'!R104		$ -				
335			Remove Castaic Unit 7 (does not provide AS)	$AC$335=-Castaic!O104		$ -				
336			Remove San Francisquito 2 Unit 1 (not in service)	$W$336=-'San Francisquito 2'!$F$22*W327		$ -				
337			Remove Division Creek (not in service)	$P$337=-P328		$ -				
338			Total Steam Removals	$R$338=SUM(R331:R337)		$ -	$ -	$ -	$ -	$ -
339										
340			**Total ECC Reclassified to General Plant**	**$O$340=O338+O328**		**$ 407**	**$ 407**	**$ -**	**$ 288**	**$ (932)**
341			Check				See note in $C$324			
342										
343			Total Reclassified Depreciation Expense (Excl. Decomissioning Expense)	$F$343=+F340+F320+F289+F202+F148+F125+F116+F246+F66		$ 52,347	$ 1,268	$ 51,080	$ 384,703	$ -
344			Check							
345										
346			**J. DECOMMISSIONING EXPENSE**							
347			Decommissioning Expense	$F$347=H347+AV347+AY347		$ -	$ -	$ -	$ -	$ 932
348										

Los Angeles Department of Water and Power
Statement
AJ Depreciation and Amortization Expenses as booked for FY 18/19
Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)
(in Thousands of Dollars)

Legend
Blue = Input costs
Green = from another tab
Black = equation
Allocation Factors
Red = Calculation checks
Bold numbers = flow through to statement BK
Gray = Subtotals of certain columns

Error Check		
Calculated Totals	$	1,579,774
Check Totals	$	1,579,774
Difference	$	-
Error Check		

Los Angeles Department of Water and Power
Statement
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(in Thousands of Dollars)

Legend
Blue = Input costs
Green = from another tab
Black = equation
Allocation Factors
Red = Calculation checks
Bold numbers = flow through to statement BK
Gray = Subtotals of certain columns

Error Check		
Calculated Totals	$	1,579,774
Check Totals	$	1,579,774
Difference	$	-
Error Check		

Los Angeles Department of Water and Power
Statement
AJ Depreciation and Amortization Expenses as booked for FY 18/19
Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)
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Legend
Blue = Input costs
Green = from another tab
Black = equation
Allocation Factors
Red = Calculation checks
Bold numbers = flow through to statement BK
Gray = Subtotals of certain columns

Error Check		
Calculated Totals	$	1,579,774
Check Totals	$	1,579,774
Difference	$	-
Error Check		

Los Angeles Department of Water and Power
Statement
AJ Depreciation and Amortization Expenses as booked for FY 18/19
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Legend
Blue = Input costs
Green = from another tab
Black = equation
Allocation Factors
Red = Calculation checks
Bold numbers = flow through to statement BK
Gray = Subtotals of certain columns

Error Check		
Calculated Totals	$	1,579,774
Check Totals	$	1,579,774
Difference	$	-
Error Check		

Los Angeles Department of Water and Power
Statement
AJ Depreciation and Amortization Expenses as booked for FY 18/19
Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)
(in Thousands of Dollars)

Legend
Blue = Input costs
Green = from another tab
Black = equation
Allocation Factors
Red = Calculation checks
Bold numbers = flow through to statement BK
Gray = Subtotals of certain columns

Error Check		
Calculated Totals	$	1,579,774
Check Totals	$	1,579,774
Difference	$	-
Error Check		

Los Angeles Department of Water and Power
Statement
AJ Depreciation and Amortization Expenses as booked for FY 18/19
Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)
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Legend
Blue = Input costs
Green = from another tab
Black = equation
Allocation Factors
Red = Calculation checks
Bold numbers = flow through to statement BK
Gray = Subtotals of certain columns

Error Check		
Calculated Totals	$	1,579,774
Check Totals	$	1,579,774
Difference	$	-
Error Check		

	A	B	C	D	E	F	G	H	I	J	K	L	M
1			**Los Angeles Department of Water and Power**										
2			**Statement**										
3			**AJ Depreciation and Amortization Expenses - New Depreciation Accruals**										
4			**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**										
5			**(in Thousands of Dollars)**										
6				**Error Check**									
7			**Legend**	Calculated Totals	$ 2,666,445								
8			Blue = Input costs	Check Totals	$ 2,666,445								
9			Green = from another tab	Difference	$ (0.00)								
10			Black = equation	Error Check									
11			Allocation Factors										
12			Red = Calculation checks										
13			**Bold numbers** = flow through to statement BK										
14			Gray = Subtotals of certain columns										
15													
16													
339			**J. ECC CLASSIFIED TO GENERAL PLANT**										
340													
341			The ECC facilities contain communication and other equipment that is labor intensive that supports in the operation of the production, transmission and distribution system and due to its labor intensive use of the equipment, it is reclassified to general plant. Once reclassified to general plant, ECC is reclassified to production, transmission and distribution using the Reclassified Labor allocator. For the ECC plant allocated to Transmission, the entire amount is allocated to Schedule 1.										
342													
343													
344			**J.1 Total ECC**										
345			Total ECC From Distribution	$E$345=-H213	$ 1,087								
346			Total ECC From Transmission	$E$346=-H174	$ 12								
347			Total ECC Depreciation	$E$347=SUM(E345:E346)	$ 1,098								
348													
349			LABOR ALLOCATOR (P,T(Sch 1),D) FOR ECC	$Q$349='Allocation Factors'!$H$85				100%	69%	25.42%	5.22%		5.22%
350			Total ECC Before Unit Removals	$AM$350=AM349*$E$347				$ 1,098	$ 759	$ 279.17	$ 57		$ 57
351										$ 279.17			
352			**J.2 Remove Units that Do not provide AS**										
353			Remove Harbor U 6&7 (retired)	$AM$353=-(Harbor!M134+Harbor!N134)				$ (0)	$ (0)	$ (0.0)	$ -		$ -
354			Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$AP$354=-'Haynes Expense'!G122				$ (4)	$ (4)	$ (3.6)	$ -		$ -
355			Remove Valley U 3& 4 (retired)	$AN$355=-Valley!E134				$ (2)	$ (2)	$ (1.9)	$ -		$ -
356			Remove Scattergood U3 (retired)	$AO$356=-'Sctrgd Expense'!R127				$ (0)	$ (0)	$ (0.0)	$ -		$ -
357			Remove Castaic Unit 7 (does not provide AS)	$AE$357=-Castaic!O127				$ (4)	$ (4)	$ (3.7)	$ (4)		$ (4)
358			Remove San Francisquito 2 Unit 1 (not in service)	$Y$358=-'San Francisquito 2'!$F$22*Y350				$ (1)	$ (1)	$ (0.8)	$ (1)		$ (1)
359			Remove Division Creek (not in service)	$R$359=-R350				$ (0)	$ (0)	$ (0.1)	$ (0)		$ (0)
360			Total Removals	$R$360=SUM(R353:R359)				$ (10)	$ (10)	$ (10)	$ (5)	$ -	$ (5)
361													
362			Total ECC Reclassified to General Plant	$Q$362=Q350+Q360				$ 1,088	$ 749	$ 269	$ 53	$ -	$ 53
363								$ 1,088		$ 269			
364													
365													
366													
367			Total Reclassified Depreciation Expense (Excl. General column)	$H$367=+H362+H312+H273+H197+H148+H131+H121+H231+H71				$ 644,260	$ 263,696	$ 215,419.31	$ 19,615	$ -	$ 19,615
368			Check					$ 644,260		$ 215,419.31			
369													
370			**K. DECOMMISSIONING EXPENSE**										
371			Decommissioning Expense					$ 16,430	$ 16,430	$ 16,430.4	$ -		$ -

	A	B	C	D	E	N	O	P	Q	R	S	T	U
1			**Los Angeles Department of Water and Power**										
2			**Statement**										
3			**AJ Depreciation and Amortization Expenses - New Depreciation Accruals**										
4			**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**										
5			**(in Thousands of Dollars)**										
6				**Error Check**									
7			**Legend**	Calculated Totals	$ 2,666,445								
8			Blue = Input costs	Check Totals	$ 2,666,445								
9			Green = from another tab	Difference	$ (0.00)								
10			Black = equation	Error Check									
11			Allocation Factors										
12			Red = Calculation checks										
13			**Bold numbers** = flow through to statement BK										
14			Gray = Subtotals of certain columns										
15													
16													
339			**J. ECC CLASSIFIED TO GENERAL PLANT**										
340													
341			The ECC facilities contain communication and other equipment that is labor intensive that supports in the operation of the production, transmission and distribution system and due to its labor intensive use of the equipment, it is reclassified to general plant. Once reclassified to general plant, ECC is reclassified to production, transmission and distribution using the Reclassified Labor allocator. For the ECC plant allocated to Transmission, the entire amount is allocated to Schedule 1.									
342													
343													
344			**J.1 Total ECC**										
345			Total ECC From Distribution	$E$345=-H213	$ 1,087								
346			Total ECC From Transmission	$E$346=-H174	$ 12								
347			Total ECC Depreciation	$E$347=SUM(E345:E346)	$ 1,098								
348													
349			LABOR ALLOCATOR (P,T(Sch 1),D) FOR ECC	$Q$349='Allocation Factors'!$H$85		1.39%		1.39%	0.11%	0.01%	0.08%	0.18%	0.14%
350			Total ECC Before Unit Removals	$AM$350=AM349*$E$347		$ 15		$ 15	$ 1	$ 0	$ 1	$ 2	$ 2
351													
352			**J.2 Remove Units that Do not provide AS**										
353			Remove Harbor U 6&7 (retired)	$AM$353=-(Harbor!M134+Harbor!N134)		$ -		$ -					
354			Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$AP$354='Haynes Expense'!G122		$ -		$ -					
355			Remove Valley U 3& 4 (retired)	$AN$355=-Valley!E134		$ -		$ -					
356			Remove Scattergood U3 (retired)	$AO$356='Sctrgd Expense'!R127		$ -		$ -					
357			Remove Castaic Unit 7 (does not provide AS)	$AE$357=-Castaic!O127		$ -		$ -					
358			Remove San Francisquito 2 Unit 1 (not in service)	$Y$358='San Francisquito 2'!$F$22*Y350		$ -		$ -					
359			Remove Division Creek (not in service)	$R$359=-R350		$ (0)		$ (0)		$ (0)			
360			Total Removals	$R$360=SUM(R353:R359)		$ (0)	$ -	$ (0)	$ -	$ (0)	$ -	$ -	$ -
361													
362			Total ECC Reclassified to General Plant	$Q$362=Q350+Q360		$ 15	$ -	$ 15	$ 1	$ -	$ 1	$ 2	$ 2
363													
364													
365													
366													
367			Total Reclassified Depreciation Expense (Excl. General column)	$H$367=+H362+H312+H273+H197+H148+H131+H121+H231+H71		$ 4,164	$ -	$ 4,164	$ 248	$ -	$ 146	$ 166	$ 860
368			Check										
369													
370			**K. DECOMMISSIONING EXPENSE**										
371			Decommissioning Expense			$ -		$ -	$ -	$ -	$ -	$ -	$ -

	A	B	C	D	E	V	W	X	Y	Z	AA	AB	AC	AD
1			**Los Angeles Department of Water and Power**											
2			**Statement**											
3			**AJ Depreciation and Amortization Expenses - New Depreciation Accruals**											
4			**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**											
5			**(in Thousands of Dollars)**											
6					**Error Check**									
7			**Legend**	Calculated Totals	$ 2,666,445									
8			Blue = Input costs	Check Totals	$ 2,666,445									
9			Green = from another tab	Difference	$ (0.00)									
10			Black = equation	Error Check										
11			Allocation Factors											
12			Red = Calculation checks											
13			**Bold numbers** = flow through to statement BK											
14			Gray = Subtotals of certain columns											
15														
16														
339			**J. ECC CLASSIFIED TO GENERAL PLANT**											
340														
341			The ECC facilities contain communication and other equipment that is labor intensive that supports in the operation of the production, transmission and distribution system and due to its labor intensive use of the equipment, it is reclassified to general plant. Once reclassified to general plant, ECC is reclassified to production, transmission and distribution using the Reclassified Labor allocator. For the ECC plant allocated to Transmission, the entire amount is allocated to Schedule 1.										
342														
343														
344			**J.1 Total ECC**											
345			Total ECC From Distribution	$E$345=-H213	$ 1,087									
346			Total ECC From Transmission	$E$346=-H174	$ 12									
347			Total ECC Depreciation	$E$347=SUM(E345:E346)	$ 1,098									
348														
349			LABOR ALLOCATOR (P,T(Sch 1),D) FOR ECC	$Q$349='Allocation Factors'!$H$85		0.45%	0.43%	0.65%	0.23%	0.09%	0.12%	0.01%	0.00%	0.07%
350			Total ECC Before Unit Removals	$AM$350=AM349*$E$347		$ 5	$ 5	$ 7	$ 3	$ 1	$ 1	$ 0	$ -	$ 1
351														
352			**J.2 Remove Units that Do not provide AS**											
353			Remove Harbor U 6&7 (retired)	$AM$353=-(Harbor!M134+Harbor!N134)										
354			Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$AP$354='Haynes Expense'!G122										
355			Remove Valley U 3& 4 (retired)	$AN$355=-Valley!E134										
356			Remove Scattergood U3 (retired)	$AO$356='Sctrgd Expense'!R127										
357			Remove Castaic Unit 7 (does not provide AS)	$AE$357=-Castaic!O127										
358			Remove San Francisquito 2 Unit 1 (not in service)	$Y$358='San Francisquito 2'!$F$22*Y350					$ (1)					
359			Remove Division Creek (not in service)	$R$359=-R350										
360			Total Removals	$R$360=SUM(R353:R359)		$ -	$ -	$ -	$ (1)	$ -	$ -	$ -	$ -	$ -
361														
362			Total ECC Reclassified to General Plant	$Q$362=Q350+Q360		$ 5	$ 5	$ 7	$ 2	$ 1	$ 1	$ 0	$ -	$ 1
363														
364														
365														
366														
367			Total Reclassified Depreciation Expense (Excl. General column)	$H$367=+H362+H312+H273+H197+H148+H131+H121+H231+H71		$ 1,339	$ 1,404	$ 729	$ 287	$ 81	$ 99	$ 19	$ 1	$ 778
368			Check											
369														
370			**K. DECOMMISSIONING EXPENSE**											
371			Decommissioning Expense			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

	A	B	C	D	E	AE	AF	AG	AH	AI	AJ	AK	AL
1			**Los Angeles Department of Water and Power**										
2			**Statement**										
3			**AJ Depreciation and Amortization Expenses - New Depreciation Accruals**										
4			**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**										
5			**(in Thousands of Dollars)**										
6					**Error Check**								
7			**Legend**	Calculated Totals	$ 2,666,445								
8			Blue = Input costs	Check Totals	$ 2,666,445								
9			Green = from another tab	Difference	$ (0.00)								
10			Black = equation	Error Check									
11			Allocation Factors										
12			Red = Calculation checks										
13			**Bold numbers** = flow through to statement BK										
14			Gray = Subtotals of certain columns										
15													
16													
339			**J. ECC CLASSIFIED TO GENERAL PLANT**										
340													
341			The ECC facilities contain communication and other equipment that is labor intensive that supports in the operation of the production, transmission and distribution system and due to its labor intensive use of the equipment, it is reclassified to general plant. Once reclassified to general plant, ECC is reclassified to production, transmission and distribution using the Reclassified Labor allocator. For the ECC plant allocated to Transmission, the entire amount is allocated to Schedule 1.									
342													
343													
344			**J.1 Total ECC**										
345			Total ECC From Distribution	$E$345=-H213	$ 1,087								
346			Total ECC From Transmission	$E$346=-H174	$ 12								
347			Total ECC Depreciation	$E$347=SUM(E345:E346)	$ 1,098								
348													
349			LABOR ALLOCATOR (P,T(Sch 1),D) FOR ECC	$Q$349='Allocation Factors'!$H$85		2.66%	0.00%	17.76%		17.76%	17.74%		17.74%
350			Total ECC Before Unit Removals	$AM$350=AM349*$E$347		$ 29	$ -	$ 195		$ 195	$ 195		$ 195
351													
352			**J.2 Remove Units that Do not provide AS**										
353			Remove Harbor U 6&7 (retired)	$AM$353=-(Harbor!M134+Harbor!N134)				$ (0)		$ (0)	$ (0)		$ (0)
354			Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$AP$354=-'Haynes Expense'!G122				$ (4)		$ (4)	$ (4)		$ (4)
355			Remove Valley U 3& 4 (retired)	$AN$355=-Valley!E134				$ (2)		$ (2)	$ (2)		$ (2)
356			Remove Scattergood U3 (retired)	$AO$356=-'Sctrgd Expense'!R127				$ (0)		$ (0)	$ (0)		$ (0)
357			Remove Castaic Unit 7 (does not provide AS)	$AE$357=-Castaic!O127		$ (4)		$ -		$ -	$ -		$ -
358			Remove San Francisquito 2 Unit 1 (not in service)	$Y$358=-'San Francisquito 2'!$F$22*Y350				$ -		$ -	$ -		$ -
359			Remove Division Creek (not in service)	$R$359=-R350				$ -		$ -	$ -		$ -
360			Total Removals	$R$360=SUM(R353:R359)		$ (4)	$ -	$ (6)	$ -	$ (6)	$ (6)	$ -	$ (6)
361													
362			Total ECC Reclassified to General Plant	$Q$362=Q350+Q360		$ 26	$ -	$ 190	$ -	$ 190	$ 189	$ -	$ 189
363													
364													
365													
366													
367			Total Reclassified Depreciation Expense (Excl. General column)	$H$367=+H362+H312+H273+H197+H148+H131+H121+H231+H71		$ 13,458	$ -	$ 139,208	$ -	$ 139,208	$ 139,200	$ -	$ 139,200
368			Check										
369													
370			**K. DECOMMISSIONING EXPENSE**										
371			Decommissioning Expense			$ -	$ -	$ 14,846		$ 14,846	$ -		$ -

	A	B	C	D	E	AM	AN	AO	AP	AQ	AR	AS	AT	AU
1			**Los Angeles Department of Water and Power**											
2			**Statement**											
3			**AJ Depreciation and Amortization Expenses - New Depreciation Accruals**											
4			**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**											
5			**(in Thousands of Dollars)**											
6					**Error Check**									
7			**Legend**	Calculated Totals	$ 2,666,445									
8			Blue = Input costs	Check Totals	$ 2,666,445									
9			Green = from another tab	Difference	$ (0.00)									
10			Black = equation	Error Check										
11			Allocation Factors											
12			Red = Calculation checks											
13			**Bold numbers** = flow through to statement BK											
14			Gray = Subtotals of certain columns											
15														
16														
339			**J. ECC CLASSIFIED TO GENERAL PLANT**											
340														
341			The ECC facilities contain communication and other equipment that is labor intensive that supports in the operation of the production, transmission and distribution system and due to its labor intensive use of the equipment, it is reclassified to general plant. Once reclassified to general plant, ECC is reclassified to production, transmission and distribution using the Reclassified Labor allocator. For the ECC plant allocated to Transmission, the entire amount is allocated to Schedule 1.										
342														
343														
344			**J.1 Total ECC**											
345			Total ECC From Distribution	$E$345=-H213	$ 1,087									
346			Total ECC From Transmission	$E$346=-H174	$ 12									
347			Total ECC Depreciation	$E$347=SUM(E345:E346)	$ 1,098									
348														
349			LABOR ALLOCATOR (P,T(Sch 1),D) FOR ECC	$Q$349='Allocation Factors'!$H$85		3.14%	2.89%	4.33%	7.39%	0.01%	0.00%	0.00%	1.09%	0.85%
350			Total ECC Before Unit Removals	$AM$350=AM349*$E$347		$ 34	$ 32	$ 48	$ 81	$ 0	$ 0	$ -	$ 12	$ 9
351														
352			**J.2 Remove Units that Do not provide AS**											
353			Remove Harbor U 6&7 (retired)	$AM$353=-(Harbor!M134+Harbor!N134)		$ (0.0)								
354			Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$AP$354='Haynes Expense'!G122					$ (4)					
355			Remove Valley U 3& 4 (retired)	$AN$355=-Valley!E134			$ (2)							
356			Remove Scattergood U3 (retired)	$AO$356='Sctrgd Expense'!R127				$ (0)						
357			Remove Castaic Unit 7 (does not provide AS)	$AE$357=-Castaic!O127										
358			Remove San Francisquito 2 Unit 1 (not in service)	$Y$358='San Francisquito 2'!$F$22*Y350										
359			Remove Division Creek (not in service)	$R$359=-R350										
360			Total Removals	$R$360=SUM(R353:R359)		$ (0)	$ (2)	$ (0)	$ (4)	$ -	$ -	$ -	$ -	$ -
361														
362			Total ECC Reclassified to General Plant	$Q$362=Q350+Q360		$ 34	$ 30	$ 48	$ 78	$ 0	$ 0	$ -	$ 12	$ 9
363														
364														
365														
366														
367			Total Reclassified Depreciation Expense (Excl. General column)	$H$367=+H362+H312+H273+H197+H148+H131+H121+H231+H71		$ 11,118	$ 16,634	$ 53,860	$ 57,588	$ 6	$ 3	$ 11,208	$ 30,520	$ 10,405
368			Check											
369														
370			**K. DECOMMISSIONING EXPENSE**											
371			Decommissioning Expense							$ 14,846		$ 596		$ 989

	A	B	C	D	E	AV	AW	AX	AY	AZ	BA	BB
1			**Los Angeles Department of Water and Power**									
2			**Statement**									
3			**AJ Depreciation and Amortization Expenses - New Depreciation Accruals**									
4			**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**									
5			**(in Thousands of Dollars)**									
6				**Error Check**								
7			**Legend**	Calculated Totals	$ 2,666,445							
8			Blue = Input costs	Check Totals	$ 2,666,445							
9			Green = from another tab	Difference	$ (0.00)							
10			Black = equation	Error Check								
11			Allocation Factors									
12			Red = Calculation checks									
13			**Bold numbers** = flow through to statement BK									
14			Gray = Subtotals of certain columns									
15												
16												
339			**J. ECC CLASSIFIED TO GENERAL PLANT**									
340												
341			The ECC facilities contain communication and other equipment that is labor intensive that supports in the operation of the production, transmission and distribution system and due to its labor intensive use of the equipment, it is reclassified to general plant. Once reclassified to general plant, ECC is reclassified to production, transmission and distribution using the Reclassified Labor allocator. For the ECC plant allocated to Transmission, the entire amount is allocated to Schedule 1.									
342												
343												
344			**J.1 Total ECC**									
345			Total ECC From Distribution	$E$345=-H213	$ 1,087							
346			Total ECC From Transmission	$E$346=-H174	$ 12							
347			Total ECC Depreciation	$E$347=SUM(E345:E346)	$ 1,098							
348												
349			LABOR ALLOCATOR (P,T(Sch 1),D) FOR ECC	$Q$349='Allocation Factors'!$H$85		0.49%	0.00%	43.70%	43.70%	0.00%	30.88%	
350			Total ECC Before Unit Removals	$AM$350=AM349*$E$347		$ 5	$ 0	$ 480	$ 480	$ -	$ 339	
351												
352			**J.2 Remove Units that Do not provide AS**									
353			Remove Harbor U 6&7 (retired)	$AM$353=-(Harbor!M134+Harbor!N134)								
354			Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$AP$354=-'Haynes Expense'!G122								
355			Remove Valley U 3& 4 (retired)	$AN$355=-Valley!E134								
356			Remove Scattergood U3 (retired)	$AO$356=-'Sctrgd Expense'!R127								
357			Remove Castaic Unit 7 (does not provide AS)	$AE$357=-Castaic!O127								
358			Remove San Francisquito 2 Unit 1 (not in service)	$Y$358=-'San Francisquito 2'!$F$22*Y350								
359			Remove Division Creek (not in service)	$R$359=-R350								
360			Total Removals	$R$360=SUM(R353:R359)		$ -	$ -	$ -	$ -	$ -	$ -	$ -
361												
362			Total ECC Reclassified to General Plant	$Q$362=Q350+Q360		$ 5	$ 0	$ 480	$ 480	$ -	$ 339	$ -
363									See note in $C$341			
364												
365												
366												
367			Total Reclassified Depreciation Expense (Excl. General column)	$H$367=+H362+H312+H273+H197+H148+H131+H121+H231+H71		$ 339	$ 4,124	$ 48,277	$ 1,266	$ 47,011	$ 380,563	
368			Check									
369												
370			**K. DECOMMISSIONING EXPENSE**									
371			Decommissioning Expense					$ -	$ -	$ -	$ -	

	A	B	C	D	E	BC	BD	BE
1			**Los Angeles Department of Water and Power**					
2			**Statement**					
3			**AJ Depreciation and Amortization Expenses - New Depreciation Accruals**					
4			**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**					
5			**(in Thousands of Dollars)**					
6				**Error Check**				
7			**Legend**	Calculated Totals	$ 2,666,445			
8			Blue = Input costs	Check Totals	$ 2,666,445			
9			Green = from another tab	Difference	$ (0.00)			
10			Black = equation	Error Check				
11			Allocation Factors					
12			Red = Calculation checks					
13			**Bold numbers** = flow through to statement BK					
14			Gray = Subtotals of certain columns					
15								
16								
339			**J. ECC CLASSIFIED TO GENERAL PLANT**					
340								
341			The ECC facilities contain communication and other equipment that is labor intensive that supports in the operation of the production, transmission and distribution system and due to its labor intensive use of the equipment, it is reclassified to general plant. Once reclassified to general plant, ECC is reclassified to production, transmission and distribution using the Reclassified Labor allocator. For the ECC plant allocated to Transmission, the entire amount is allocated to Schedule 1.					
342								
343								
344			**J.1 Total ECC**					
345			Total ECC From Distribution	$E$345=-H213	$ 1,087			
346			Total ECC From Transmission	$E$346=-H174	$ 12			
347			Total ECC Depreciation	$E$347=SUM(E345:E346)	$ 1,098			
348								
349			LABOR ALLOCATOR (P,T(Sch 1),D) FOR ECC	$Q$349='Allocation Factors'!$H$85				
350			Total ECC Before Unit Removals	$AM$350=AM349*$E$347				
351								
352			**J.2 Remove Units that Do not provide AS**					
353			Remove Harbor U 6&7 (retired)	$AM$353=-(Harbor!M134+Harbor!N134)				
354			Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$AP$354=-'Haynes Expense'!G122				
355			Remove Valley U 3& 4 (retired)	$AN$355=-Valley!E134				
356			Remove Scattergood U3 (retired)	$AO$356=-'Sctrgd Expense'!R127				
357			Remove Castaic Unit 7 (does not provide AS)	$AE$357=-Castaic!O127				
358			Remove San Francisquito 2 Unit 1 (not in service)	$Y$358=-'San Francisquito 2'!$F$22*Y350				
359			Remove Division Creek (not in service)	$R$359=-R350				
360			Total Removals	$R$360=SUM(R353:R359)		$ -	$ -	$ -
361								
362			Total ECC Reclassified to General Plant	$Q$362=Q350+Q360		$ -	$ -	$ -
363								
364								
365								
366								
367			Total Reclassified Depreciation Expense (Excl. General column)	$H$367=+H362+H312+H273+H197+H148+H131+H121+H231+H71				$ 11,548
368			Check					
369								
370			**K. DECOMMISSIONING EXPENSE**					
371			Decommissioning Expense					$ (339)

	A	B	C	D	E	F	G	H	I	J	K
1	**Los Angeles Department of Water and Power**										
2	**Statement**										
3	**AK Taxes Other than Income Taxes**										
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**										
5	**(in Thousands of Dollars)**										
6											
7	**Legend**	**Error Check**									
8	Blue = Input costs	Calculated Totals	$ 26,514								
9	Green = from another tab	Check Totals	$ 26,514								
10	Black = equation	Difference	$ -								
11	Allocation Factors	Error Check									
12	Red = Calculation checks										
13	**Bold numbers** = flow through to statement BK										
14	Gray = Subtotals of certain columns										
15											
16											
73	**A.2 TRANSMISSION PROPERTY TAX**										
74											
75							Owens Valley				
76			Total	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro
77	Name of Generator	Reference	Property Tax	Cottonwood	Division Creek	Big Pine	Pleasant Valley	Upper Gorge	Middle Gorge	Control Gorge	S.F. 1
78											
79	Total Transmission Property Taxes	LADWP GL	$ 3,101								
80											
81	**A.2.1 7 Factor Reclassifications - 230kV OH**										
82											
83	Reclassify portion of 230kV OH Lines as Production Gen-tie										
84	PINETREE BARREN-RIDGE LINE (Wind + Solar)	$AF$84='7 Factor Summary'!G192	$ (16)								
85	UPPER GORGE-MIDDLE GORGE	$AF$85='7 Factor Summary'!G193	$ (5)								
86	MIDDLE GORGE-CONTROL GORGE	$AF$86='7 Factor Summary'!G194	$ (10)								
87	CONTROL GORGE-INYO LINE - To Production	$AF$87='7 Factor Summary'!G195	$ (9)								
88	Reclassify portion of 230kV OH Lines as Distribution										
89	LAGUNA BELL-VELASCO LINE 1	$AF$89='7 Factor Summary'!G199	$ (31)								
90	CONTROL GORGE-INYO LINE - To Distribution	$AF$90='7 Factor Summary'!G200	$ (9)								
91	Total 7 Factor Reclassifications	$AF$91=SUM(AF84:AF87)+AF89+AF90	$ (81)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
92											
93	**Total Reclassified Transmission Property Tax Expense**	**$AF$93=AF91+AF79**	**$ 3,020**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
94	Check		$ 3,020								
95											
96	**A.3 . IMPERIAL VALLEY PROPERTY TAXES (1)**	LADWP GL	$ 49								
97											
98	NOTE 1 Production Property taxes excludes Imperial Valley (PHFFU) property taxes of $49.224 (thousand). This Geo-Thermal Project is being developed to meet California Renewable Portfolio Standards. This is NOT included in OATT revenue requirement because it does not provide Ancillary Services during the test year.										
99											
100											
101	**B. PAYROLL TAXES**										
102	Payroll taxes are embedded within operation and maintenance dollars shown on statement AH and AI.										

	A	B	C	L	M	N	O	P	Q	R	S
1	**Los Angeles Department of Water and Power**										
2	**Statement**										
3	**AK Taxes Other than Income Taxes**										
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**										
5	**(in Thousands of Dollars)**										
6											
7	**Legend**	**Error Check**									
8	Blue = Input costs	Calculated Totals	$ 26,514								
9	Green = from another tab	Check Totals	$ 26,514								
10	Black = equation	Difference	$ -								
11	Allocation Factors	Error Check									
12	Red = Calculation checks										
13	**Bold numbers** = flow through to statement BK										
14	Gray = Subtotals of certain columns										
15											
16											
73	**A.2 TRANSMISSION PROPERTY TAX**										
74											
75											
76			Total	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro
77	Name of Generator	Reference	Property Tax	S.F. 2	San Fernando	Foothill	Franklin	Sawtelle	Haiwee	Castaic:Pump Storage Castaic	Hoover Property Tax
78											
79	Total Transmission Property Taxes	LADWP GL	$ 3,101								
80											
81	**A.2.1 7 Factor Reclassifications - 230kV OH**										
82											
83	Reclassify portion of 230kV OH Lines as Production Gen-tie										
84	PINETREE BARREN-RIDGE LINE (Wind + Solar)	$AF$84='7 Factor Summary'!G192	$ (16)								
85	UPPER GORGE-MIDDLE GORGE	$AF$85='7 Factor Summary'!G193	$ (5)								
86	MIDDLE GORGE-CONTROL GORGE	$AF$86='7 Factor Summary'!G194	$ (10)								
87	CONTROL GORGE-INYO LINE - To Production	$AF$87='7 Factor Summary'!G195	$ (9)								
88	Reclassify portion of 230kV OH Lines as Distribution										
89	LAGUNA BELL-VELASCO LINE 1	$AF$89='7 Factor Summary'!G199	$ (31)								
90	CONTROL GORGE-INYO LINE - To Distribution	$AF$90='7 Factor Summary'!G200	$ (9)								
91	Total 7 Factor Reclassifications	$AF$91=SUM(AF84:AF87)+AF89+AF90	$ (81)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
92											
93	**Total Reclassified Transmission Property Tax Expense**	**$AF$93=AF91+AF79**	**$ 3,020**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
94	Check		$ 3,020								
95											
96	**A.3 . IMPERIAL VALLEY PROPERTY TAXES (1)**	LADWP GL	$ 49								
97											
98	NOTE 1 Production Property taxes excludes Imperial Valley (PHFFU) property taxes of $49.224 (thousand). This Geo-Thermal Project is being developed to meet California Renewable Portfolio Standards. This is NOT included in OATT revenue requirement because it does not provide Ancillary Services during the test year.										
99											
100											
101	**B. PAYROLL TAXES**										
102	Payroll taxes are embedded within operation and maintenance dollars shown on statement AH and AI.										

	A	B	C	T	U	V	W	X	Y	Z	AA
1	**Los Angeles Department of Water and Power**										
2	**Statement**										
3	**AK Taxes Other than Income Taxes**										
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**										
5	**(in Thousands of Dollars)**										
6											
7	**Legend**	**Error Check**									
8	Blue = Input costs	Calculated Totals	$ 26,514								
9	Green = from another tab	Check Totals	$ 26,514								
10	Black = equation	Difference	$ -								
11	Allocation Factors	Error Check									
12	Red = Calculation checks										
13	**Bold numbers** = flow through to statement BK										
14	Gray = Subtotals of certain columns										
15											
16											
73	**A.2 TRANSMISSION PROPERTY TAX**										
74											
75					LA Basin Stations						
76			Total	Steam	Steam	Steam	Steam	Steam	Steam	Nuclear	Other Prod
77	Name of Generator	Reference	Property Tax	Harbor	Valley	Scattergood	Haynes	Navajo	Mohave	Palo Verde	Wind
78											
79	Total Transmission Property Taxes	LADWP GL	$ 3,101								
80											
81	**A.2.1 7 Factor Reclassifications - 230kV OH**										
82											
83	Reclassify portion of 230kV OH Lines as Production Gen-tie										
84	PINETREE BARREN-RIDGE LINE (Wind + Solar)	$AF$84='7 Factor Summary'!G192	$ (16)								
85	UPPER GORGE-MIDDLE GORGE	$AF$85='7 Factor Summary'!G193	$ (5)								
86	MIDDLE GORGE-CONTROL GORGE	$AF$86='7 Factor Summary'!G194	$ (10)								
87	CONTROL GORGE-INYO LINE - To Production	$AF$87='7 Factor Summary'!G195	$ (9)								
88	Reclassify portion of 230kV OH Lines as Distribution										
89	LAGUNA BELL-VELASCO LINE 1	$AF$89='7 Factor Summary'!G199	$ (31)								
90	CONTROL GORGE-INYO LINE - To Distribution	$AF$90='7 Factor Summary'!G200	$ (9)								
91	Total 7 Factor Reclassifications	$AF$91=SUM(AF84:AF87)+AF89+AF90	$ (81)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
92											
93	**Total Reclassified Transmission Property Tax Expense**	**$AF$93=AF91+AF79**	**$ 3,020**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
94	Check		$ 3,020								
95											
96	**A.3 . IMPERIAL VALLEY PROPERTY TAXES (1)**	LADWP GL	$ 49								
97											
98	NOTE 1 Production Property taxes excludes Imperial Valley (PHFFU) property taxes of $49.224 (thousand). This Geo-Thermal Project is being developed to meet California Renewable Portfolio Standards. This is NOT included in OATT revenue requirement because it does not provide Ancillary Services during the test year.										
99											
100											
101	**B. PAYROLL TAXES**										
102	Payroll taxes are embedded within operation and maintenance dollars shown on statement AH and AI.										

	A	B	C	AB	AC	AD	AE	AF
1	**Los Angeles Department of Water and Power**							
2	**Statement**							
3	**AK Taxes Other than Income Taxes**							
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**							
5	**(in Thousands of Dollars)**							
6								
7	**Legend**		**Error Check**					
8	Blue = Input costs		Calculated Totals	$ 26,514				
9	Green = from another tab		Check Totals	$ 26,514				
10	Black = equation		Difference	$ -				
11	Allocation Factors		Error Check					
12	Red = Calculation checks							
13	**Bold numbers** = flow through to statement BK							
14	Gray = Subtotals of certain columns							
15								
16								
73	**A.2 TRANSMISSION PROPERTY TAX**							
74								
75								
76			Total	Other Prod	Other Prod	Other Prod		
77	Name of Generator	Reference	Property Tax	Solar	Other Prod	Beacon Battery Storage	Transmission GRID (Sch 1)	Transmission - Non ECC (Sch 7 and 8)
78								
79	Total Transmission Property Taxes	LADWP GL	$ 3,101					$ 3,101
80								
81	**A.2.1 7 Factor Reclassifications - 230kV OH**							
82								
83	Reclassify portion of 230kV OH Lines as Production Gen-tie							
84	PINETREE BARREN-RIDGE LINE (Wind + Solar)	$AF$84='7 Factor Summary'!G192	$ (16)					$ (16)
85	UPPER GORGE-MIDDLE GORGE	$AF$85='7 Factor Summary'!G193	$ (5)					$ (5)
86	MIDDLE GORGE-CONTROL GORGE	$AF$86='7 Factor Summary'!G194	$ (10)					$ (10)
87	CONTROL GORGE-INYO LINE - To Production	$AF$87='7 Factor Summary'!G195	$ (9)					$ (9)
88	Reclassify portion of 230kV OH Lines as Distribution							
89	LAGUNA BELL-VELASCO LINE 1	$AF$89='7 Factor Summary'!G199	$ (31)					$ (31)
90	CONTROL GORGE-INYO LINE - To Distribution	$AF$90='7 Factor Summary'!G200	$ (9)					$ (9)
91	Total 7 Factor Reclassifications	$AF$91=SUM(AF84:AF87)+AF89+AF90	$ (81)	$ -	$ -	$ -	$ -	$ (81)
92								
93	**Total Reclassified Transmission Property Tax Expense**	**$AF$93=AF91+AF79**	**$ 3,020**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 3,020**
94	Check		$ 3,020					
95								
96	**A.3 . IMPERIAL VALLEY PROPERTY TAXES (1)**	LADWP GL	$ 49		$ 49			
97								
98	NOTE 1 Production Property taxes excludes Imperial Valley (PHFFU) property taxes of $49.224 (thousand). This Geo-Thermal Project is being developed to meet California Renewable Portfolio Standards. This is NOT included in OATT revenue requirement because it does not provide Ancillary Services during the test year.							
99								
100								
101	**B. PAYROLL TAXES**							
102	Payroll taxes are embedded within operation and maintenance dollars shown on statement AH and AI.							

	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	**Los Angeles Department of Water and Power**													
2	**Statement**													
3	**AL Working Capital**													
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**													
5	**(in Thousands of Dollars)**													
6														
7	**Legend**	**Error Check**												
8	Blue = Input costs	Calculated Totals	$ 1,223,773											
9	Green = from another tab	Check Totals	$ 1,223,773											
10	Black = equation	Difference	$ -											
11	Allocation Factors	Error Check												
12	Red = Calculation checks													
13	**Bold numbers** = flow through to statement BK													
14	Gray = Subtotals of certain columns													
15														
16														
17														
234	**D. ALLOCATION OF FUEL STOCK**													
235								Owens Valley						
236				Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro
237	Item	Reference	Total P,T,D,Non OATT,Purch. Pwr	Cottonwood	Division Creek	Big Pine	Pleasant Valley	Upper Gorge	Middle Gorge	Control Gorge	S.F. 1	S.F. 2	San Fernando	Foothill
238	Navajo Fuel Stock	$Y$238=AA55+AB55	$ -											
239														
240	LA Basin Fuel Stock													
241	GL LA BASIN GROSS PLANT ALLOCATOR	$U$241='Allocation Factors'!X17	100.00%											
242	Fuel Oil and Distillate Total	$D$242=Y55+Z55	$ 2,322											
243														
244	Fuel Oil and Distillate Total	$U$244=U241*$D$242	$ 2,322											
245														
246	**D.1 Remove Units that do not provide AS**													
247	Remove Harbor U 6&7 (retired)	$U$247=-(Harbor!M207+Harbor!N207)	$ (0)											
248	Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$X$248='Haynes Rate Base'!G136	$ (11)											
249	Remove Valley U 3& 4 (retired)	$V$249=-Valley!E207	$ (2)											
250	Remove Scattergood U3 (retired)	$W$250=-'Sctrgd Rate Base'!S134	$ (7)											
251	Total Removals	$W$251=SUM(W247:W250)	$ (20)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
252														
253	**Total Fuel Stock**	$U$253=U244+U238+U251	**$ 2,301**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
254	Check		$ 2,301											
255														
256														
257	**E. NUCLEAR FUEL, MATERIALS, ASSEMBLIES**													
258								Owens Valley						
259				Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro	Hydro
260	Item	Reference	Total P,T,D,Non OATT,Purch. Pwr	Cottonwood	Division Creek	Big Pine	Pleasant Valley	Upper Gorge	Middle Gorge	Control Gorge	S.F. 1	S.F. 2	San Fernando	Foothill
261	Nuclear Fuel, Materials, Assemblies	$AA$261=AC55	$ 43,238											
262														
263														
264	**Total Working Capital (Excl Cash Working Capital)**	$AA$264=AA261+AA253+AA229+AA173	$ 371,118	$ 143	$ -	$ 87	$ 130	$ 761	$ 732	$ 914	$ 1,051	$ 217	$ 46	$ 99
265	Check		$ 371,118											
266														
267	**F. CASH WORKING CAPITAL**													
268	Cash Working Capital is calculated in Statement BK.													

	B	C	D	P	Q	R	S	T	U	V	W	X	Y	Z	AA
1	**Los Angeles Department of Water and Power**														
2	**Statement**														
3	**AL Working Capital**														
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**														
5	**(in Thousands of Dollars)**														
6															
7	**Legend**	**Error Check**													
8	Blue = Input costs	Calculated Totals	$ 1,223,773												
9	Green = from another tab	Check Totals	$ 1,223,773												
10	Black = equation	Difference	$ -												
11	Allocation Factors	Error Check													
12	Red = Calculation checks														
13	**Bold numbers** = flow through to statement BK														
14	Gray = Subtotals of certain columns														
15															
16															
17															
234	**D. ALLOCATION OF FUEL STOCK**														
235									LA Basin Stations						
236				Hydro	Hydro	Hydro	Hydro	Hydro	Steam	Steam	Steam	Steam	Steam	Steam	Nuclear
237	Item	Reference	Total P,T,D,Non OATT,Purch. Pwr	Franklin	Sawtelle	Haiwee	Pump Storage Castaic	Hoover Plant	Harbor	Valley	Scattergood	Haynes	Navajo	Mohave	Palo Verde
238	Navajo Fuel Stock	$Y$238=AA55+AB55	$ -										$ -		
239															
240	LA Basin Fuel Stock														
241	GL LA BASIN GROSS PLANT ALLOCATOR	$U$241='Allocation Factors'!X17	100.00%						15.30%	13.57%	32.47%	38.65%			
242	Fuel Oil and Distillate Total	$D$242=Y55+Z55	$ 2,322												
243															
244	Fuel Oil and Distillate Total	$U$244=U241*$D$242	$ 2,322						$ 355.27	$ 315.13	$ 753.80	$ 897.33			
245															
246	**D.1 Remove Units that do not provide AS**														
247	Remove Harbor U 6&7 (retired)	$U$247=-(Harbor!M207+Harbor!N207)	$ (0)						$ (0)						
248	Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$X$248=-'Haynes Rate Base'!G136	$ (11)									$ (11)			
249	Remove Valley U 3& 4 (retired)	$V$249=-Valley!E207	$ (2)							$ (2)					
250	Remove Scattergood U3 (retired)	$W$250=-'Sctrgd Rate Base'!S134	$ (7)								$ (7)				
251	Total Removals	$W$251=SUM(W247:W250)	$ (20)	$ -	$ -	$ -	$ -	$ -	$ (0)	$ (2)	$ (7)	$ (11)	$ -	$ -	$ -
252															
253	**Total Fuel Stock**	$U$253=U244+U238+U251	**$ 2,301**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 355**	**$ 313**	**$ 746**	**$ 886**	**$ -**	**$ -**	**$ -**
254	Check		$ 2,301												
255															
256															
257	**E. NUCLEAR FUEL, MATERIALS, ASSEMBLIES**														
258									LA Basin Stations						
259				Hydro	Hydro	Hydro	Hydro	Hydro	Steam	Steam	Steam	Steam	Steam	Steam	Nuclear
260	Item	Reference	Total P,T,D,Non OATT,Purch. Pwr	Franklin	Sawtelle	Haiwee	Pump Storage Castaic	Hoover Plant	Harbor	Valley	Scattergood	Haynes	Navajo	Mohave	Palo Verde
261	Nuclear Fuel, Materials, Assemblies	$AA$261=AC55	$ 43,238												$ 43,238
262															
263															
264	**Total Working Capital (Excl Cash Working Capital)**	$AA$264=AA261+AA253+AA229+AA173	$ 371,118	$ 43	$ 0	$ 426	$ 7,618	$ 7	$ 8,676	$ 7,645	$ 17,616	$ 21,306	$ (866)	$ 43	$ 66,399
265	Check		$ 371,118												
266															
267	**F. CASH WORKING CAPITAL**														
268	Cash Working Capital is calculated in Statement BK.														

	B	C	D	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL
1	**Los Angeles Department of Water and Power**													
2	**Statement**													
3	**AL Working Capital**													
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**													
5	**(in Thousands of Dollars)**													
6														
7	**Legend**	**Error Check**												
8	Blue = Input costs	Calculated Totals	$ 1,223,773											
9	Green = from another tab	Check Totals	$ 1,223,773											
10	Black = equation	Difference	$ -											
11	Allocation Factors	Error Check												
12	Red = Calculation checks													
13	**Bold numbers** = flow through to statement BK													
14	Gray = Subtotals of certain columns													
15														
16														
17														
234	**D. ALLOCATION OF FUEL STOCK**													
235														
236				Other Production (Renewable)	Other Production (Renewable)	Other Production (Renewable)	Other Production (Renewable)							
237	Item	Reference	Total P,T,D,Non OATT,Purch. Pwr	Wind	Solar	Other	Beacon Battery Storage	Transmission ECC (Sch 1)	Transmission GRID (Sch 7 and 8)	Distribution	Non OATT	IPP	Apex	Hoover Purcahsed Power- OATT
238	Navajo Fuel Stock	$Y$238=AA55+AB55	$ -											
239														
240	LA Basin Fuel Stock													
241	GL LA BASIN GROSS PLANT ALLOCATOR	$U$241='Allocation Factors'!X17	100.00%											
242	Fuel Oil and Distillate Total	$D$242=Y55+Z55	$ 2,322											
243														
244	Fuel Oil and Distillate Total	$U$244=U241*$D$242	$ 2,322											
245														
246	**D.1 Remove Units that do not provide AS**													
247	Remove Harbor U 6&7 (retired)	$U$247=-(Harbor!M207+Harbor!N207)	$ (0)											
248	Remove Haynes U3-6 (retired) and U7 (does not provide AS)	$X$248=-'Haynes Rate Base'!G136	$ (11)											
249	Remove Valley U 3& 4 (retired)	$V$249=-Valley!E207	$ (2)											
250	Remove Scattergood U3 (retired)	$W$250=-'Sctrgd Rate Base'!S134	$ (7)											
251	Total Removals	$W$251=SUM(W247:W250)	$ (20)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
252														
253	**Total Fuel Stock**	$U$253=U244+U238+U251	**$ 2,301**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
254	Check		$ 2,301											
255														
256														
257	**E. NUCLEAR FUEL, MATERIALS, ASSEMBLIES**													
258														
259				Other Production (Renewable)	Other Production (Renewable)	Other Production (Renewable)	Other Production (Renewable)							
260	Item	Reference	Total P,T,D,Non OATT,Purch. Pwr	Wind	Solar	Other	Beacon Battery Storage	Transmission ECC (Sch 1)	Transmission GRID (Sch 7 and 8)	Distribution	Non OATT	IPP	Apex	Hoover Purcahsed Power- OATT
261	Nuclear Fuel, Materials, Assemblies	$AA$261=AC55	$ 43,238											
262														
263														
264	**Total Working Capital (Excl Cash Working Capital)**	$AA$264=AA261+AA253+AA229+AA173	$ 371,118	$ 7,892	$ 5,833	$ 15,233	$ 415	$ 312	$ 30,562	$ 149,075	$ 13,873	$ 3,650	$ 11,180	$ -
265	Check		$ 371,118											
266														
267	**F. CASH WORKING CAPITAL**													
268	Cash Working Capital is calculated in Statement BK.													

Los Angeles Department of Water and Power
Statement
AM Construction Work in Progress (CWIP) not included in rate base
Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)
(in Thousands of Dollars)

Legend
Blue = Input costs
Green = from another tab
Black = equation
Allocation Factors
Red = Calculation checks
Bold numbers = flow through to statement BK
Gray = Subtotals of certain columns

Construction Work in Process (CWIP)

The CWIP amounts shown below exclude the CWIP amounts included in Statement AG. The CWIP amounts shown below are not included in Statement BK or rates developed in Statement BL.

Month	Reference		Total LADWP CWIP
June 2019	LADWP GL CWIP total less CWIP in Statement AG	$	516,076
July 2019	LADWP GL CWIP total less CWIP in Statement AG	$	522,479
August 2019	LADWP GL CWIP total less CWIP in Statement AG	$	536,686
September 2019	LADWP GL CWIP total less CWIP in Statement AG	$	539,520
October 2019	LADWP GL CWIP total less CWIP in Statement AG	$	530,151
November 2019	LADWP GL CWIP total less CWIP in Statement AG	$	548,048
December 2019	LADWP GL CWIP total less CWIP in Statement AG	$	553,038
January 2020	LADWP GL CWIP total less CWIP in Statement AG	$	531,048
February 2020	LADWP GL CWIP total less CWIP in Statement AG	$	547,636
March 2020	LADWP GL CWIP total less CWIP in Statement AG	$	570,746
April 2020	LADWP GL CWIP total less CWIP in Statement AG	$	559,009
May 2020	LADWP GL CWIP total less CWIP in Statement AG	$	553,698
June 2020	LADWP GL CWIP total less CWIP in Statement AG	$	544,526
Total		$	7,052,662
Total 13 Month Average		$	542,512

Los Angeles Department of Water and Power
Statement
AU Revenue Credits
Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)
(in Thousands of Dollars)

Legend
Blue = Input costs
Green = from another tab
Black = equation
Allocation Factors
Red = Calculation checks
Bold numbers = flow through to statement BK
Gray = Subtotals of certain columns

		Transmission		Ancillary Services					Total Revenue Credits
Description		Schedule 1	Schedule 7&8	Schedule 2	Schedule 3	Schedule 5	Schedule 6	Schedule 10	
A. REVENUE CREDITS									
LADWP Wholesale Marketing - Short-Term		$ (1,081)	$ (26,630)	$ (1,578)					$ (29,288)
LADWP Wholesale Marketing - Short-Term - Ancillary						$ (4,517)	$ (1,028)	$ (1,068)	$ (6,613)
TBD									$ -
Rent from Electric Property			$ (50)						$ (50)
Grandfathered Service		$ (321)	$ (9,863)	$ -	$ -	$ -	$ -	$ -	$ (10,184)
OATT Service - Short-Term		$ (183)	$ (4,490)	$ (266)	$ (0)	$ (11)	$ (3)	$ (3)	$ (4,955)
BAASA Contracts		$ (130)	$ (3,114)	$ (188)	$ (1,213)	$ (2,780)	$ (633)	$ -	$ (8,058)
Sylmar Agreements		$ (301)	$ -	$ -	$ -	$ -	$ -	$ -	$ (301)
Other Misc Revenues from Leases			$ (298)						$ (298)
Leased Revenue for Physical Property & Dark Fiber			$ (4,306)						$ (4,306)
TBD									$ -
TBD									$ -
Total Revenue Credits		**$ (2,015)**	**$ (48,751)**	**$ (2,032)**	**$ (1,213)**	**$ (7,308)**	**$ (1,663)**	**$ (1,071)**	**$ (64,054)**

	B	C	D	E
1	**Los Angeles Department of Water and Power**			
2	**Statement**			
3	**AV Cost of Capital**			
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**			
5	**(in Thousands of Dollars)**			
6	**Legend**			
7	Blue = Input costs			
8	Green = from another tab			
9	Black = equation			
10	Allocation Factors			
11	Red = Calculation checks			
12	**Bold numbers** = flow through to statement BK			
13	Gray = Subtotals of certain columns			
14				
15				
16				
17				
18				
19	**A. LADWP WACC**			
20				
21			Component	Weighted Component
22	Component	Actual CapitalizationRat	Cost	Cost*
23	(a)	(b)	(c)	(d) = (b x c)
24				
25	Long-Term Debt	59.81%	3.18%	1.90%
26				
27	Preferred Stock	0.00%	0.00%	0.00%
28				
29	Net Position	40.19%	8.57%	3.44%
30				
31	Total	100.00%		**5.35%**
32				
33	*As displayed, the WACC values are rounded to two decimal places but the model does use the precise values.			
34				
35				
36				
37				
38	**B. EMBEDDED LONG-TERM DEBT COST CALCULATION**			
39				
40	Item	Reference	Amount	
41	Total Average Outstanding Balance Interest:	LADWP	$ 453,706	
42	Federal Government Interest Subsidy	LADWP	$ (33,831)	
43	Net Annual (Premium)Discount Amortization:	LADWP	$ (85,750)	
44	Total Net Interest:	$D$44=SUM(D41:D43)	$ 334,125	
45				
46	Average Long-term Debt Principal Outstanding:	LADWP	$ 9,606,074	
47	Average Net Unamortized Debt Premium/(Discount):	LADWP	$ 987,112	
48	Total:	$D$48=SUM(D46:D47)	$ 10,593,187	
49				
50	**Long-Term Embedded Debt Cost:**	$D$50=D44/D48	**3.154%**	
51				
52				
53				
54				

	B	C	D	E	F	G	H	I	J	K	L	M
1	**Los Angeles Department of Water and Power**											
2	**Statement**											
3	**AW Cost of Short Term Debt**											
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**											
5	**(in Thousands of Dollars)**											
6												
7	**Legend**											
8	Blue = Input costs											
9	Green = from another tab											
10	Black = equation											
11	Allocation Factors											
12	Red = Calculation checks											
13	**Bold numbers** = flow through to statement BK											
14	Gray = Subtotals of certain columns											
15												
16												
17												
18	**Description**	**Outstanding Balance 6/30/19**	**Outstanding Balance 9/30/19**	**Outstanding Balance 12/31/19**	**Outstanding Balance 3/31/20**	**Outstanding Balance 6/30/20**		**YTD Amortization (Premium) Discount**		**Variable Bonds and Commercial Paper**	**Total Interest Paid**	
19	CP	$ -	$ -	$ -	$ -	$ -		$ -		Commercial Paper	$ -	

Los Angeles Department of Water and Power
Statement
BB Rate Divisor
Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)

Legend
Blue = Input costs
Green = from another tab
Black = equation
Allocation Factors
Red = Calculation checks
Bold numbers = flow through to statement BK
Gray = Subtotals of certain columns

A. Rate Divsior Summary

Method:	4CP
MW for Rate Divisor:	6,594

B. DERIVATION OF TRANSMISSION SYSTEM FIRM LOAD (MW)

LADWP's Load

Item	Peak Load [1]	Long-Term Firm P-T-P [2]	Total
July	5,450	1,346	6,796
August	5,082	1,346	6,428
September	5,637	1,346	6,983
October	4,172	1,346	5,518
November	3,451	1,346	4,797
December	3,324	1,346	4,670
January	3,250	1,346	4,596
February	3,342	1,346	4,688
March	3,100	1,346	4,446
April	4,024	1,346	5,370
May	4,303	1,346	5,649
June	4,825	1,346	6,171
Total	49,960	16,152	66,112
Avg. Mo. Peak Load (4 CP)			6,594

Footnotes:
Data Source:
[1] LADWP's Peak Load
[2] Long-term firm point-to-point transmission service.

Los Angeles Department of Water and Power
Statement
BK Cost of Service by Generation Stations and Transmission
Generating Stations COS assigned to each Ancillary Service Schedule
Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)
(in Thousands of Dollars)

Legend
Blue = Input costs
Green = from another tab
Black = equation
Allocation Factors
Red = Calculation checks
Bold numbers = flow through to statement BK
Gray = Subtotals of certain columns

Error Check	
Calculated Totals	$ 13,624,938
Check Totals	$ 13,624,938
Difference	$ (0)
Error Check	

7. DERIVATION OF GENERATOR COS CONTRIBUTING TO SCHEDULE 10 (GENERATOR REG. & FREQ. RESPONSE)

Item	Reference	Check w Sched 3	Total Schedule 10 Revenue Requirement	Hydro Cottonwood	Hydro Division Creek	Hydro Big Pine	Hydro Pleasant Valley	Hydro Upper Gorge	Hydro Middle Gorge
Total Gross Plant in Service	$L$469=IF(L59="yes",L79,IF(L59="no",0))	$ 5,134,466	$ 5,134,466	$ -	$ -	$ -	$ -	$ 61,789	$ 61,723
Total Accumulated Depreciation	$L$470=IF(L59="yes",L91,IF(L59="no",0))	$ (2,159,695)	$ (2,159,695)	$ -	$ -	$ -	$ -	$ (31,168)	$ (21,655)
Total Net Plant in Service	$L$471=SUM(L469:L470)	$ 2,974,771	$ 2,974,771	$ -	$ -	$ -	$ -	$ 30,621	$ 40,067
Construction Work in Progress if Applicable	$L$473=IF(L59="yes",L106,IF(L59="no",0))	$ 8,789	$ 8,789	$ -	$ -	$ -	$ -	$ -	$ -
Working Capital									
Other Materials and Supplies (FERC 156)	$L$475=IF(L$59="yes",L$110,IF(L$59="no",0))	$ 51,724	$ 51,724	$ -	$ -	$ -	$ -	$ 674	$ 586
Fuel Stock	$L$476=IF(L$59="yes",L$111,IF(L$59="no",0))	$ 2,301	$ 2,301	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel Stock, Materials, Assemblies	$L$477=IF(L$59="yes",L$112,IF(L$59="no",0))	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Prepayments	$L$478=IF(L$59="yes",L$113,IF(L$59="no",0))	$ 27,853	$ 27,853	$ -	$ -	$ -	$ -	$ 87	$ 146
Cash Working Capital	$L$479=IF(L$59="yes",L$114,IF(L$59="no",0))	$ 36,794	$ 36,794	$ -	$ -	$ -	$ -	$ 408	$ 743
Total Rate Base		$ 3,102,233	$ 3,102,233	$ -	$ -	$ -	$ -	$ 31,790	$ 41,542
Rate of Return	$L$482=$G$121	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%
Return on Rate Base	$L$483=L482*L480	$ 165,929	$ 165,929	$ -	$ -	$ -	$ -	$ 1,700	$ 2,222
		$ -							
Total O&M	$L$485=IF(L$59="yes",L$143,IF(L$59="no",0))	$ 548,935	$ 548,935	$ -	$ -	$ -	$ -	$ 2,952	$ 5,235
Total A&G	$L$486=IF(L59="yes",L149,IF(L59="no",0))	$ 38,712	$ 38,712	$ -	$ -	$ -	$ -	$ 313	$ 711
Total Depreciation	$L$487=IF(L59="yes",L161,IF(L59="no",0))	$ 161,499	$ 161,499	$ -	$ -	$ -	$ -	$ 860	$ 1,339
Total Taxes other than Income Taxes	$L$488=IF(L59="yes",L167,IF(L59="no",0))	$ 4,395	$ 4,395	$ -	$ -	$ -	$ -	$ 298	$ 264
Total Expense	$L$489=SUM(L485:L488)	$ 753,541	$ 753,541	$ -	$ -	$ -	$ -	$ 4,423	$ 7,550
Gross Revenue Requirement W/O Revenue Credits		$ 919,470	**$ 919,470**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 6,123**	**$ 9,772**
Revenue Credits									
LADWP Wholesale Marketing - Short-Term	$G$494=AU!K24		$ -						
LADWP Wholesale Marketing - Short-Term - Ancillary	$G$495=AU!K25		$ (1,068)						
TBD	$G$496=AU!K26		$ -						
Rent from Electric Property	$G$497=AU!K27		$ -						
Grandfathered Service	$G$498=AU!K28		$ -						
OATT Service - Short-Term	$G$499=AU!K29		$ (3)						
BAASA Contracts	$G$500=AU!K30		$ -						
Sylmar Agreements	$G$501=AU!K31		$ -						
Other Misc Revenues from Leases	$G$502=AU!K32		$ -						
Leased Revenue for Physical Property & Dark Fiber	$G$503=AU!K33		$ -						
TBD	$G$504=AU!K34		$ -						
TBD	$G$505=AU!K35		$ -						
Total Revenue Credit	$G$506=SUM(G494:G505)		$ (1,071)						
Check from AU			$ (1,071)						
Annual Revenue Requirement Schedule 10	$G$509=+G506+G491		**$ 918,400**						

Los Angeles Department of Water and Power
Statement
BK Cost of Service by Generation Stations and Transmiss
Generating Stations COS assigned to each Ancillary Servi
Test Period: FY2019-20 (July 1, 2019 through June 30, 202
(in Thousands of Dollars)

Legend
Blue = Input costs
Green = from another tab
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Allocation Factors
Red = Calculation checks
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Gray = Subtotals of certain columns

7. DERIVATION OF GENERATOR COS CONTRIBUTIN RESPONSE)

Item	Hydro Control Gorge	Hydro S.F. 1	Hydro S.F. 2	Hydro San Fernando	Hydro Foothill	Hydro Franklin	Hydro Sawtelle	Hydro Haiwee	Hydro Pump Storage Castaic	Hydro Hoover Plant	Steam/Gas Harbor	Steam/Gas Valley
Total Gross Plant in Service	$ 76,212	$ 88,733	$ 24,899	$ -	$ 8,763	$ -	$ -	$ -	$ 716,056	$ -	$ 638,822	$ 562,176
Total Accumulated Depreciation	$ (30,297)	$ (63,738)	$ (13,283)	$ -	$ (6,394)	$ -	$ -	$ -	$ (326,088)	$ -	$ (492,723)	$ (297,563)
Total Net Plant in Service	$ 45,914	$ 24,994	$ 11,616	$ -	$ 2,370	$ -	$ -	$ -	$ 389,968	$ -	$ 146,098	$ 264,613
Construction Work in Progress if Applicable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 772	$ -
Working Capital												
Other Materials and Supplies (FERC 156)	$ 758	$ 839	$ 168	$ -	$ 68	$ -	$ -	$ -	$ 6,568	$ -	$ 6,481	$ 5,689
Fuel Stock	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 355	$ 313
Nuclear Fuel Stock, Materials, Assemblies	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Prepayments	$ 157	$ 212	$ 49	$ -	$ 31	$ -	$ -	$ -	$ 1,050	$ -	$ 1,840	$ 1,643
Cash Working Capital	$ 923	$ 1,062	$ 205	$ -	$ 283	$ -	$ -	$ -	$ 6,209	$ -	$ 5,291	$ 4,500
Total Rate Base	$ 47,751	$ 27,107	$ 12,037	$ -	$ 2,752	$ -	$ -	$ -	$ 403,795	$ -	$ 160,837	$ 276,758
Rate of Return	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%
Return on Rate Base	$ 2,554	$ 1,450	$ 644	$ -	$ 147	$ -	$ -	$ -	$ 21,598	$ -	$ 8,603	$ 14,803
Total O&M	$ 6,660	$ 7,456	$ 1,390	$ -	$ 2,096	$ -	$ -	$ -	$ 45,307	$ -	$ 36,882	$ 31,275
Total A&G	$ 721	$ 1,039	$ 247	$ -	$ 169	$ -	$ -	$ -	$ 4,369	$ -	$ 5,449	$ 4,722
Total Depreciation	$ 1,404	$ 729	$ 287	$ -	$ 99	$ -	$ -	$ -	$ 13,458	$ -	$ 11,118	$ 16,634
Total Taxes other than Income Taxes	$ 338	$ 364	$ 73	$ -	$ 30	$ -	$ -	$ -	$ 2,850	$ -	$ -	$ -
Total Expense	$ 9,124	$ 9,588	$ 1,997	$ -	$ 2,393	$ -	$ -	$ -	$ 65,984	$ -	$ 53,449	$ 52,631
Gross Revenue Requirement W/O Revenue Credits	**$ 11,678**	**$ 11,038**	**$ 2,640**	**$ -**	**$ 2,541**	**$ -**	**$ -**	**$ -**	**$ 87,581**	**$ -**	**$ 62,052**	**$ 67,434**
Revenue Credits												
LADWP Wholesale Marketing - Short-Term												
LADWP Wholesale Marketing - Short-Term - Ancillary												
TBD												
Rent from Electric Property												
Grandfathered Service												
OATT Service - Short-Term												
BAASA Contracts												
Sylmar Agreements												
Other Misc Revenues from Leases												
Leased Revenue for Physical Property & Dark Fiber												
TBD												
TBD												
Total Revenue Credit												
Check from AU												
Annual Revenue Requirement Schedule 10												

	A	B	C	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ
1														
2			**Los Angeles Department of Water and Power**											
3			**Statement**											
4			**BK Cost of Service by Generation Stations and Transmiss**											
5			**Generating Stations COS assigned to each Ancillary Servi**											
6			**Test Period: FY2019-20 (July 1, 2019 through June 30, 202**											
7			**(in Thousands of Dollars)**											
8														
9			**Legend**											
10			Blue = Input costs											
11			Green = from another tab											
12			Black = equation											
13			Allocation Factors											
14			Red = Calculation checks											
15			**Bold numbers** = flow through to statement BK											
16			Gray = Subtotals of certain columns											
17														
18														
19														
20														
466			**7. DERIVATION OF GENERATOR COS CONTRIBUTIN RESPONSE)**											
467				**Steam/Gas**	**Steam/Gas**	**Steam/Gas**	**Steam/Gas**	**Steam/Gas**	**Steam/Gas**	**Nuclear**	**Other Production (Renewable)**	**Other Production (Renewable)**	**Other Production (Renewable)**	**Other Production (Renewable)**
468			Item	**Scattergood (Units 1,2,4,5)**	**Scattergood (Units 6-7)**	**Haynes (Units 1,2,8,9,10)**	**Haynes (Units 11-16)**	**Navajo**	**Mohave**	**Palo Verde**	**Wind**	**Solar**	**Other**	**Beacon Battery Storage**
469			**Total Gross Plant in Service**	$ 869,709	$ 417,166	$ 809,704	$ 765,557	$ -	$ -	$ -	$ -	$ -	$ -	$ 33,157
470			**Total Accumulated Depreciation**	$ (269,038)	$ (48,426)	$ (441,012)	$ (114,037)	$ -	$ -	$ -	$ -	$ -	$ -	$ (4,271)
471			**Total Net Plant in Service**	$ 600,671	$ 368,740	$ 368,692	$ 651,520	$ -	$ -	$ -	$ -	$ -	$ -	$ 28,886
472														
473			**Construction Work in Progress if Applicable**	$ 8,016	$ -	$ 1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
474			**Working Capital**											
475			Other Materials and Supplies (FERC 156)	$ 8,889	$ 4,612	$ 7,594	$ 8,417	$ -	$ -	$ -	$ -	$ -	$ -	$ 382
476			Fuel Stock	$ 491	$ 255	$ 420	$ 466	$ -	$ -	$ -	$ -	$ -	$ -	$ -
477			Nuclear Fuel Stock, Materials, Assemblies	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
478			Prepayments	$ 2,415	$ 953	$ 2,641	$ 1,769	$ -	$ -	$ -	$ -	$ -	$ -	$ 32
479			Cash Working Capital	$ 5,346	$ 1,089	$ 7,579	$ 3,146	$ -	$ -	$ -	$ -	$ -	$ -	$ 9
480			**Total Rate Base**	$ 625,829	$ 375,650	$ 386,927	$ 665,318	$ -	$ -	$ -	$ -	$ -	$ -	$ 29,311
481														
482			**Rate of Return**	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%
483			**Return on Rate Base**	$ 33,474	$ 20,092	$ 20,696	$ 35,586	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,568
484														
485			**Total O&M**	$ 36,023	$ 7,082	$ 51,266	$ 22,012	$ -	$ -	$ -	$ -	$ -	$ -	$ 2
486			**Total A&G**	$ 6,747	$ 1,630	$ 9,369	$ 3,153	$ -	$ -	$ -	$ -	$ -	$ -	$ 73
487			**Total Depreciation**	$ 38,343	$ 15,517	$ 30,070	$ 27,518	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,124
488			**Total Taxes other than Income Taxes**	$ -	$ -	$ 5	$ 5	$ -	$ -	$ -	$ -	$ -	$ -	$ 166
489			**Total Expense**	$ 81,113	$ 24,229	$ 90,710	$ 52,688	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,365
490														
491			**Gross Revenue Requirement W/O Revenue Credits**	**$ 114,587**	**$ 44,321**	**$ 111,406**	**$ 88,274**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 5,933**
492														
493			**Revenue Credits**											
494			LADWP Wholesale Marketing - Short-Term											
495			LADWP Wholesale Marketing - Short-Term - Ancillary											
496			TBD											
497			Rent from Electric Property											
498			Grandfathered Service											
499			OATT Service - Short-Term											
500			BAASA Contracts											
501			Sylmar Agreements											
502			Other Misc Revenues from Leases											
503			Leased Revenue for Physical Property & Dark Fiber											
504			TBD											
505			TBD											
506			**Total Revenue Credit**											
507			Check from AU											
508														
509			**Annual Revenue Requirement Schedule 10**											

	A	B	C	AK	AL	AM	AN	AO
1								
2			**Los Angeles Department of Water and Power**					
3			**Statement**					
4			**BK Cost of Service by Generation Stations and Transmiss**					
5			**Generating Stations COS assigned to each Ancillary Servi**					
6			**Test Period: FY2019-20 (July 1, 2019 through June 30, 202**					
7			**(in Thousands of Dollars)**					
8								
9			**Legend**					
10			Blue = Input costs					
11			Green = from another tab					
12			Black = equation					
13			Allocation Factors					
14			Red = Calculation checks					
15			**Bold numbers** = flow through to statement BK					
16			Gray = Subtotals of certain columns					
17								
18								
19								
20								
466			**7. DERIVATION OF GENERATOR COS CONTRIBUTIN RESPONSE)**					
467				**Purchased Power**	**Purchased Power**	**Purchased Power**		
468			Item	**IPP Fixed / IPP Prepayment**	**Hoover Purchased Power**	**Apex**	**Transmission (Sch. 1)**	**Transmission GRID (Sch 7 and 8)**
469			**Total Gross Plant in Service**	$ -	$ -	$ -	$ -	$ -
470			**Total Accumulated Depreciation**	$ -	$ -	$ -	$ -	$ -
471			**Total Net Plant in Service**	$ -	$ -	$ -	$ -	$ -
472								
473			**Construction Work in Progress if Applicable**	$ -	$ -	$ -	$ -	$ -
474			**Working Capital**					
475			Other Materials and Supplies (FERC 156)	$ -	$ -	$ -	$ -	$ -
476			Fuel Stock	$ -	$ -	$ -	$ -	$ -
477			Nuclear Fuel Stock, Materials, Assemblies	$ -	$ -	$ -	$ -	$ -
478			Prepayments	$ 3,650	$ -	$ 11,180	$ -	$ -
479			Cash Working Capital	$ -	$ -	$ -	$ -	$ -
480			**Total Rate Base**	$ 3,650	$ -	$ 11,180	$ -	$ -
481								
482			**Rate of Return**	5.35%	5.35%	5.35%	5.35%	5.35%
483			**Return on Rate Base**	$ 195	$ -	$ 598	$ -	$ -
484								
485			**Total O&M**	$ 230,832	$ -	$ 62,464	$ -	$ -
486			**Total A&G**	$ -	$ -	$ -	$ -	$ -
487			**Total Depreciation**	$ -	$ -	$ -	$ -	$ -
488			**Total Taxes other than Income Taxes**	$ -	$ -	$ -	$ -	$ -
489			**Total Expense**	$ 230,832	$ -	$ 62,464	$ -	$ -
490								
491			**Gross Revenue Requirement W/O Revenue Credits**	**$ 231,027**	**$ -**	**$ 63,062**	**$ -**	**$ -**
492								
493			**Revenue Credits**					
494			LADWP Wholesale Marketing - Short-Term					
495			LADWP Wholesale Marketing - Short-Term - Ancillary					
496			TBD					
497			Rent from Electric Property					
498			Grandfathered Service					
499			OATT Service - Short-Term					
500			BAASA Contracts					
501			Sylmar Agreements					
502			Other Misc Revenues from Leases					
503			Leased Revenue for Physical Property & Dark Fiber					
504			TBD					
505			TBD					
506			**Total Revenue Credit**					
507			Check from AU					
508								
509			**Annual Revenue Requirement Schedule 10**					

	C	D	E	F	G	H
1	**Los Angeles Department of Water and Power**					
2	**Statement**					
3	**BL Derivation of Ancillary Service Schedule Rate Design using data from BK**					
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**					
5						
6						
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12	Red = Calc/allcn checks					
13	**Bold numbers** = flow through to statement BK					
14	Gray = Subtotals of certain columns					
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30	**SUMMARY COMPARISON OF RATES UNDER SCHEDULES 1, 2, 3, 5, 6, 7 & 8, & 10**					
31	**FY 19-20 (Test Year)**					
32						
33					**Previous Rates**	
34				**LADWP**	**LADWP**	
35				**FY 19-20**	**FY 14-15**	
36				**4CP**	**4CP**	
37		**Units**	**Source / Comment**	**Peak Load+ LT Firm PtP**	**Peak Load+ LT Firm PtP**	
38						
39	**Schedule 1 - Scheduling, System Control and Dispatch Service:**					
40	Yearly	$/kW-yr	$F$40=+F97	$ 2.055	$ 1.429	
41	Monthly	$/kW-mo	$F$41=+F98	$ 0.171	$ 0.119	
42						
43	**Schedule 2 - Reactive Supply and Voltage Control from Generation or Other Sources Service:**					
44	Yearly	$/kW-yr	$F$44=+F130	$ 1.642	$ 2.078	
45	Monthly	$/kW-mo	$F$45=+F131	$ 0.137	$ 0.173	
46						
47	**Schedule 3 - Regulation and Frequency Response Service:**					
48	Purchase Obligation	%	$F$48=+F162	1.885%	1.885%	
49	Yearly (Excl. of PO)	$/kW-yr	$F$49=+F173	$ 139.249	$ 74.959	
50	Monthly (Excl. of PO)	$/kW-mo	$F$50=+F174	$ 11.604	$ 6.247	
51						
52	**Schedule 5 - Operating Reserve-Spinning Reserve Service:**					
53	Purchase Obligation	%	$F$53=+F210	4.549%	4.874%	
54	Yearly (Excl. of PO)	$/kW-yr	$F$54=+F222	$ 137.103	$ 122.617	
55	Monthly (Excl. of PO)	$/kW-mo	$F$55=+F223	$ 11.425	$ 10.218	
56						
57	**Schedule 6 - Operating Reserve-Supplemental Reserve Service:**					
58	Purchase Obligation	%	$F$58=+F258	4.549%	4.874%	
59	Yearly (Excl. of PO)	$/kW-yr	$F$59=+F271	$ 39.455	$ 27.903	
60	Monthly (Excl. of PO)	$/kW-mo	$F$60=+F272	$ 3.288	$ 2.325	
61						
62	**Schedules 7 & 8 - Long-Term Firm, Short-Term Firm, and Non-Firm Transmission Service:**					
63	Yearly	$/kW-yr	$F$63=+F315	$ 49.630	$ 35.234	
64	Monthly	$/kW-mo	$F$64=+F316	$ 4.136	$ 2.936	
65						
66	**Schedule 10 A - Generator Regulation and Frequency Response Service (Non dispatchable Generation)**					
67	Purchase Obligation	%	$F$67=+F341	14.272%	6.627%	
68	Yearly (Excl. of PO)	$/kW-yr	$F$68=+F353	$ 139.271	$ 74.959	
69	Monthly (Excl. of PO)	$/kW-mo	$F$69=+F354	$ 11.606	$ 6.247	
70						
71	**Schedule 10 B - Generator Regulation and Frequency Response Service (Dispatchable Generation)**					
72	Purchase Obligation	%	$F$72=F378	1.885%	1.885%	
73	Yearly (Excl. of PO)	$/kW-yr	$F$73=F390	$ 139.271	$ 74.959	
74	Monthly (Excl. of PO)	$/kW-mo	$F$74=F391	$ 11.606	$ 6.247	
75						

	C	D	E	F	G	H
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76						
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78	**SCHEDULE 1 - SCHEDULING, SYSTEM CONTROL AND DISPATCH SERVICE:**					
79					**Previous Rates**	
80				**LADWP**	**LADWP**	
81				**Schedule 1**	**Schedule 1**	
82				**FY 19-20**	**FY 14-15**	
83				**4CP**	**4CP**	
84		**Units**	**Source / Comment**	**Peak Load+ LT Firm PtP**	**Peak Load+ LT Firm PtP**	
85						
86						
87	**Annual Revenue Requirement:**					
88	Test Year Annual Revenue Requirement Excl. Rev Credits	($)	$F$88='BK'!G203*1000	$ 15,565,179	$ 10,345,944	
89	Revenue Credits	($)	$F$89='BK'!G218*1000	$ (2,015,359)	$ (1,547,758)	
90	Adjusted Revenue Requirement	($)	$F$90=SUM(F88:F89)	$ 13,549,821	$ 8,798,186	
91						
92						
93	**Rate Divisor:**					
94	Total Transmission System Firm Load	MW	$F$94=BB!$C$20	6,594.3	6,154.8	
95						
96	**Firm Point-to-Point Rates:**					
97	Yearly	$/kW-yr	$F$97=+F90/+(F94*1000)	$ 2.055	$ 1.429	
98	Monthly	$/kW-mo.	$F$98=+F97/12	$ 0.171	$ 0.119	
99	Weekly	$/kW-wk.	$F$99=+F97/52	$ 0.040	$ 0.027	
100	Daily	$/kW-day	$F$100=+F99/7	$ 0.006	$ 0.004	
101						
102	**Non-Firm Point-to-Point Rates:**					
103	Monthly	$/kW-mo.	$F$103=+F98	$ 0.171	$ 0.119	
104	Weekly	$/kW-wk.	$F$104=+F99	$ 0.040	$ 0.028	
105	Daily	$/kW-day	$F$105=+F100	$ 0.006	$ 0.004	
106						
107	**Hourly Rate:**					
108	On -Peak	$/MWh	$F$108=+(F97/4160)*1000	$ 0.494	$ 0.344	
109	Off-Peak	$/MWh	$F$109=+(F97/8760)*1000	$ 0.235	$ 0.163	
110						

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112						
113	**SCHEDULE 2 - REACTIVE SUPPLY AND VOLTAGE CONTROL FROM GENERATION OR OTHER SOURCES SERVICE:**					
114						
115					**Previous Rates**	
116				**LADWP**	**LADWP**	
117				**Schedule 2**	**Schedule 2**	
118				**FY 19-20**	**FY 14-15**	
119				**4CP**	**4CP**	
120	**Rate**	**Units**	**Source / Comment**	**Peak Load+ LT Firm PtP**	**Peak Load+ LT Firm PtP**	
121						
122	Test Year Annual Revenue Requirement Excl. Revenue Credits	($)	$F$122='Unit Data'!$D$197*1000	$ 12,858,739	$ 17,015,266	
123	Total Revenue Credits	($)	$F$123=' BK'!G266*1000	$ (2,032,420)	$ (4,226,726)	
124	Net Annual Revenue Requirement	($)	$F$124=F122+F123	$ 10,826,320	$ 12,788,540	
125						
126	**Rate Divisor:**					
127	Total Transmission System Firm Load	MW	$F$127=BBI5C$20	6,594.3	6,154.8	
128						
129	**Firm Point-to-Point Rates:**					
130	Yearly	$/kW-yr	$F$130=+F124/+(F127*1000)	$ 1.642	$ 2.078	
131	Monthly	$/kW-mo.	$F$131=+F130/12	$ 0.137	$ 0.173	
132	Weekly	$/kW-wk.	$F$132=+F130/52	$ 0.032	$ 0.040	
133	Daily	$/kW-day	$F$133=+F132/7	$ 0.005	$ 0.006	
134						
135	**Non-Firm Point-to-Point Rates:**					
136	Monthly	$/kW-mo.	$F$136=+F131	$ 0.137	$ 0.173	
137	Weekly	$/kW-wk.	$F$137=+F132	$ 0.032	$ 0.040	
138	Daily	$/kW-day	$F$138=+F133	$ 0.005	$ 0.006	
139						
140	Hourly Rate:					
141	On -Peak	$/MWh	$F$141=+(F130/4160)*1000	$ 0.395	$ 0.499	
142	Off-Peak	$/MWh	$F$142=+(F130/8760)*1000	$ 0.187	$ 0.237	
143						
144						
145						
146						

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148						
149	**SCHEDULE 3 - REGULATION AND FREQUENCY RESPONSE SERVICE:**					
150						
151					**Previous Rates**	
152				**LADWP**	**LADWP**	
153				**Schedule 3**	**Schedule 3**	
154				**FY 19-20**	**FY 14-15**	
155				**4CP**	**4CP**	
156	**Rate**	**Units**	**Source / Comment**	**Peak Load+ LT Firm PtP**	**Peak Load+ LT Firm PtP**	
157						
158						
159	**Regulation and Frequency Response Purchase Obligation:**					
160	Reg. and Freq. Response Purchase Obligation	MW	Guidehouse Abadi Testimony	124.3	116.0	
161	Transmission System Firm Load	MW	$F$161=BBI5$C$20	6,594.3	6,154.8	
162	Reg. and Freq. Response Purchase Obligation	%	$F$162=F160/F161	1.885%	1.885%	
163						
164	**Annual Rev. Req. for Existing Resources that Provide for Regulation Service:**					
165	Test Year Annual Revenue Requirement Excl. Rev Credits	($)	$F$165=' BK'!G298*1000	$ 919,470,303	$ 461,354,055	
166	Total Revenue Credits	($)	$F$166=' BK'!G313*1000	$ (1,213,025)	$ -	
167	Adjusted Revenue Requirement	($)	$F$167=SUM(F165:F166)	$ 918,257,278	$ 461,354,055	
168						
169	**Rate Divisor:**					
170	Total Transmission System Firm Load	MW	$F$170=+F161	6,594.3	6,154.8	
171						
172	**Firm Point-to-Point Rates *(Exclusive of Purchase Obligation):***					
173	Yearly	$/kW-yr	$F$173=+F167/+(F170*1000)	$ 139.249	$ 74.959	
174	Monthly	$/kW-mo.	$F$174=+F173/12	$ 11.604	$ 6.247	
175	Weekly	$/kW-wk.	$F$175=+F173/52	$ 2.678	$ 1.442	
176	Daily	$/kW-day	$F$176=+F175/7	$ 0.383	$ 0.206	
177						
178	Hourly Rate:					
179	On -Peak	$/MWh	$F$179=+(F173/4160)*1000	$ 33.473	$ 18.019	
180	Off-Peak	$/MWh	$F$180=+(F173/8760)*1000	$ 15.896	$ 8.557	
181						
182	**Firm Point-to-Point Rates: (Inclusive of Purchase Obligation):**					
183	Yearly	$/kW-yr	$F$183=(F167/(F170*1000))*F162	$ 2.625	$ 1.413	
184	Monthly	$/kW-mo.	$F$184=F183/12	$ 0.219	$ 0.118	
185	Weekly	$/kW-wk.	$F$185=F183/52	$ 0.050	$ 0.027	
186	Daily	$/kW-day	$F$186=F185/7	$ 0.007	$ 0.004	
187						
188	Hourly Rate:					
189	On -Peak	$/MWh	$F$189=+((F173*F162)/4160)*1000	$ 0.631	$ 0.340	
190	Off-Peak	$/MWh	$F$190=+((F173*F162)/8760)*1000	$ 0.300	$ 0.161	
191						
192						
193						
194						

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195						
196						
197	**SCHEDULE 5 - OPERATING RESERVE-SPINNING RESERVE SERVICE:**					
198						
199					**Previous Rates**	
200				**LADWP**	**LADWP**	
201				**Schedule 5**	**Schedule 5**	
202				**FY 19-20**	**FY 14-15**	
203				**4CP**	**4CP**	
204	**Rate**	**Units**	**Source / Comment**	**Peak Load+ LT Firm PtP**	**Peak Load+ LT Firm PtP**	
205						
206						
207	**Operating Reserves - Spinning Reserve Purchase Obligation:**					
208	Spinning Reserve Purchase Obligation	MW	BAL-002-WECC-2 Contingency Reserve Requirements	300.0	300.0	
209	Transmission System Firm Load	MW	$F$209=BBI5C$20	6,594.3	6,154.8	
210	Spinning Reserve Purchase Obligation	%	$F$210=F208/F209	4.549%	4.874%	
211						
212						
213	**Annual Rev. Req. for Generating Resources that Provide for Spinning Reserves:**					
214	Test Year Annual Revenue Requirement Excl. Rev Credits	($)	$F$214=' BK'!G346*1000	$ 911,413,254	$ 754,690,987	
215	Total Revenue Credits	($)	$F$215=' BK'!G361*1000	$ (7,308,165)	$ (13,754)	
216	Adjusted Revenue Requirement			$ 904,105,088	$ 754,677,233	
217						
218	**Rate Divisor:**					
219	Existing Transmission System Firm Load	MW	$F$219=F209	6,594.3	6,154.8	
220						
221	**Firm Point-to-Point Rates *(Exclusive of Purchase Obligation)*:**					
222	Yearly	$/kW-yr	$F$222=+F216/+(F219*1000)	$ 137.103	$ 122.617	
223	Monthly	$/kW-mo.	$F$223=+F222/12	$ 11.425	$ 10.218	
224	Weekly	$/kW-wk.	$F$224=+F222/52	$ 2.637	$ 2.358	
225	Daily	$/kW-day	$F$225=+F224/7	$ 0.377	$ 0.337	
226						
227	Hourly Rate:					
228	On -Peak	$/MWh	$F$228=+(F$222/4160)*1000	$ 32.957	$ 29.475	
229	Off-Peak	$/MWH	$F$229=+(F$222/8760)*1000	$ 15.651	$ 13.997	
230						
231	**Firm Point-to-Point Rates *(Inclusive of Purchase Obligation)*:**					
232	Yearly	$/kW-yr	$F$232=(F216/(F219*1000))*F210	$ 6.237	$ 5.977	
233	Monthly	$/kW-mo.	$F$233=F232/12	$ 0.520	$ 0.498	
234	Weekly	$/kW-wk.	$F$234=F232/52	$ 0.120	$ 0.115	
235	Daily	$/kW-day	$F$235=F234/7	$ 0.017	$ 0.016	
236						
237	Hourly Rate:					
238	On -Peak	$/MWH	$F$238=+((F$222*F$210)/4160)*1000	$ 1.499	$ 1.437	
239	Off-Peak	$/MWH	$F$239=+((F$222*F$210)/8760)*1000	$ 0.712	$ 0.682	
240						
241						
242						

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245	**SCHEDULE 6 - OPERATING RESERVE-SUPPLEMENTAL RESERVE SERVICE:**					
246						
247					**Previous Rates**	
248				**LADWP**	**LADWP**	
249				**Schedule 6**	**Schedule 6**	
250				**FY 19-20**	**FY 14-15**	
251				**4CP**	**4CP**	
252	**Rate**	**Units**	**Source / Comment**	**Peak Load+ LT Firm PtP**	**Peak Load+ LT Firm PtP**	
253						
254						
255	**Operating Reserves - Supplemental Reserve Purchase Obligation:**					
256	Supplemental Reserve Purchase Obligation	MW	BAL-002-WECC-2 Contingency Reserve Requirements	300.0	300.0	
257	Transmission System Firm Load	MW	$F$257='BB15C$20	6,594.3	6,154.8	
258	Supplemental Reserve Purchase Obligation	%	$F$258=F256/F257	4.549%	4.874%	
259						
260						
261	**Annual Rev. Req. for Generating Resources that Provide for Supplemental Reserves:**					
262	Test Year Annual Revenue Requirement Excl. Rev Credits	($)	$F$262='BK'!G394*1000	$ 261,844,872	$ 171,737,014	
263	Total Revenue Credits	($)	$F$263='BK'!G409*1000	$ (1,663,056)	$ (1,280)	
264	Adjusted Revenue Requirement	($)	$F$264=SUM(F262:F263)	$ 260,181,816	$ 171,735,733	
265						
266						
267	**Rate Divisor:**					
268	Total Transmission System Firm Load	MW	$F$268=F257	6,594.3	6,154.8	
269						
270	**Firm Point-to-Point Rates *(Exclusive of Purchase Obligation)*:**					
271	Yearly	$/kW-yr	$F$271=+F264/(F268*1000)	$ 39.455	$ 27.903	
272	Monthly	$/kW-mo.	$F$272=+F271/12	$ 3.288	$ 2.325	
273	Weekly	$/kW-wk.	$F$273=+F271/52	$ 0.759	$ 0.537	
274	Daily	$/kW-day	$F$274=+F273/7	$ 0.108	$ 0.077	
275						
276	Hourly Rate:					
277	On -Peak	$/MWh	$F$277=(F$271/4160)*1000	$ 9.484	$ 6.707	
278	Off-Peak	$/MWh	$F$278=(F$271/8760)*1000	$ 4.504	$ 3.185	
279						
280	**Firm Point-to-Point Rates *(Inclusive of Purchase Obligation)*:**					
281	Yearly	$/kW-yr	$F$281=(F264/(F268*1000))*F258	$ 1.795	$ 1.360	
282	Monthly	$/kW-mo.	$F$282=F281/12	$ 0.150	$ 0.113	
283	Weekly	$/kW-wk.	$F$283=F281/52	$ 0.035	$ 0.026	
284	Daily	$/kW-day	$F$284=F283/7	$ 0.005	$ 0.004	
285						
286	Hourly Rate:					
287	On -Peak	$/MWh	$F$287=F277*F258	$ 0.431	$ 0.327	
288	Off-Peak	$/MWh	$F$288=F278*F258	$ 0.205	$ 0.155	
289						
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291						
292						

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15						
16						
293						
294						
295	**SCHEDULES 7 & 8 - LONG-TERM FIRM, SHORT-TERM FIRM, AND NON-FIRM TRANSMISSION SERVICE:**					
296						
297					**Previous Rates**	
298				**LADWP**	**LADWP**	
299				**Schedule 7&8**	**Schedule 7&8**	
300				**FY 19-20**	**FY 14-15**	
301				**4CP**	**4CP**	
302	**Rate**	**Units**	**Source / Comment**	**Peak Load+ LT Firm PtP**	**Peak Load+ LT Firm PtP**	
303						
304						
305	**Annual Transmission Revenue Requirement:**					
306	Test Year Annual Revenue Requirement Excl. Rev Credits	($)	$F$306='BK'!G443*1000	$ 376,029,423	$ 279,257,808	
307	Total Revenue Credits	($)	$F$307='BK'!G458*1000	$ (48,750,925)	$ (62,403,838)	
308	Adjusted Revenue Requirement	($)	$F$308=SUM(F306:F307)	$ 327,278,498	$ 216,853,970	
309						
310						
311	**Rate Divisor:**					
312	Total Transmission System Firm Load	MW	$F$312=BBI$C$20	6,594.3	6,154.8	
313						
314	**Firm Point-to-Point Rates:**					
315	Yearly	$/kW-yr	$F$315=+F308/+(F312*1000)	$ 49.630	$ 35.234	
316	Monthly	$/kW-mo.	$F$316=+F315/12	$ 4.136	$ 2.936	
317	Weekly	$/kW-wk.	$F$317=+F315/52	$ 0.954	$ 0.678	
318	Daily	$/kW-day	$F$318=+F317/7	$ 0.136	$ 0.097	
319						
320	**Non-Firm Point-to-Point Rates:**					
321	Monthly	$/kW-mo.	$F$321=+F316	$ 4.136	$ 2.936	
322	Weekly	$/kW-wk.	$F$322=+F317	$ 0.954	$ 0.678	
323	Daily	$/kW-day	$F$323=+F318	$ 0.136	$ 0.097	
324						
325	Hourly Rate:					
326	On -Peak	$/MWh	$F$326=+(F315/4160)*1000	$ 11.930	$ 8.470	
327	Off-Peak	$/MWh	$F$327=+(F315/8760)*1000	$ 5.666	$ 4.022	
328						

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328						
330	**SCHEDULE 10 - GENERATOR REGULATION AND FREQUENCY RESPONSE SERVICE**					
331				**LADWP**	**LADWP**	
332				**Schedule 10**	**Schedule 10**	
333				**FY 19-20**	**FY 14-15**	
334				**4CP**	**4CP**	
335	**Rate**	**Units**	**Source / Comment**	**Peak Load+ LT Firm PtP**	**Peak Load+ LT Firm PtP**	
336						
337						
338	**A. Generator Regulation and Frequency Response Purchase Obligation (Non-dispatchable generation):**					
339	Generator Reg. and Freq. Response Purchase Obligation	MW	Guidehouse Abadi Testimony	206.8	45.0	
340	Incremental Nameplate VER Capacity	MW	Guidehouse Abadi Testimony	1,449.0	679.0	
341	Generator Reg. and Freq. Response Purchase Obligation	%	$F$341=F339/F340	14.272%	6.627%	
342						
343						
344	**Annual Rev. Req. for Existing Resources that Provide for Regulation Service:**					
345	Test Year Annual Revenue Requirement Excl. Rev Credits	($)	$F$345=' BK'!$G$491*1000	$ 919,470,303	$ 461,354,055	
346	Total Revenue Credits	($)	$F$346=' BK'!G508*1000	$ (1,070,722)	$ (276)	
347	Adjusted Revenue Requirement	($)	$F$347=SUM(F345:F346)	$ 918,399,581	$ 461,353,779	
348						
349	**Rate Divisor:**					
350	Total Transmission System Firm Load	MW	$F$350=BBI$C$20	6,594.3	6,154.8	
351						
352	**Firm Point-to-Point Rates *(Exclusive of Purchase Obligation)*:**					
353	Yearly	$/kW-yr	$F$353=+F347/+(F350*1000)	$ 139.271	$ 74.959	
354	Monthly	$/kW-mo.	$F$354=+F353/12	$ 11.606	$ 6.247	
355	Weekly	$/kW-wk.	$F$355=+F353/52	$ 2.678	$ 1.442	
356	Daily	$/kW-day	$F$356=+F355/7	$ 0.383	$ 0.206	
357						
358	Hourly Rate:					
359	On -Peak	$/MWh	$F$359=+(F353/4160)*1000	$ 33.479	$ 18.019	
360	Off-Peak	$/MWh	$F$360=+(F353/8760)*1000	$ 15.898	$ 8.557	
361						
362	**Firm Point-to-Point Rates *(Inclusive of Purchase Obligation)*:**					
363	Yearly	$/kW-yr	$F$363=(F347/(F350*1000))*F341	$ 19.877	$ 4.968	
364	Monthly	$/kW-mo.	$F$364=F363/12	$ 1.656	$ 0.414	
365	Weekly	$/kW-wk.	$F$365=F363/52	$ 0.382	$ 0.096	
366	Daily	$/kW-day	$F$366=F365/7	$ 0.055	$ 0.014	
367						
368	Hourly Rate:					
369	On -Peak	$/MWh	$F$369=((F353*F341)/4160)*1000	$ 4.778	$ 1.194	
370	Off-Peak	$/MWh	$F$370=((F353*F341)/8760)*1000	$ 2.269	$ 0.567	
371						
372						
373						
375	**B. Generator Regulation and Frequency Response Purchase Obligation (Dispatchable generation):**					
376	Reg. and Freq. Response Purchase Obligation	MW	Guidehouse Abadi Testimony	124.3	116.0	
377	Transmission System Firm Load	MW	$F$377=BBI$C$20	6,594.3	6,154.8	
378	Reg. and Freq. Response Purchase Obligation	%	$F$378=F376/F377	1.885%	1.885%	
379						
380						
381	**Annual Rev. Req. for Existing Resources that Provide for Regulation Service:**					
382	Test Year Annual Revenue Requirement Excl. Rev Credits	($)	$F$382=' BK'!$G$491*1000	$ 919,470,303	$ 461,354,055	
383	Total Revenue Credits	($)	$F$383=' BK'!G508*1000	$ (1,070,722)	$ (276)	
384	Adjusted Revenue Requirement	($)	$F$384=SUM(F382:F383)	$ 918,399,581	$ 461,353,779	
385						
386	**Rate Divisor:**					
387	Total Transmission System Firm Load	MW	$F$387=F350	6,594.3	6,154.8	
389	**Firm Point-to-Point Rates *(Exclusive of Purchase Obligation)*:**					
390	Yearly	$/kW-yr	$F$390=+F384/+(F387*1000)	$ 139.271	$ 74.959	
391	Monthly	$/kW-mo.	$F$391=+F390/12	$ 11.606	$ 6.247	
392	Weekly	$/kW-wk.	$F$392=+F390/52	$ 2.678	$ 1.442	
393	Daily	$/kW-day	$F$393=+F392/7	$ 0.383	$ 0.206	
394						
395	Hourly Rate:					
396	On -Peak	$/MWh	$F$396=+(F390/4160)*1000	$ 33.479	$ 18.019	
397	Off-Peak	$/MWh	$F$397=+(F390/8760)*1000	$ 15.898	$ 8.557	
399	**Firm Point-to-Point Rates *(Inclusive of Purchase Obligation)*:**					
400	Yearly	$/kW-yr	$F$400=(F384/(F387*1000))*F378	$ 2.625	$ 1.413	
401	Monthly	$/kW-mo.	$F$401=F400/12	$ 0.219	$ 0.118	
402	Weekly	$/kW-wk.	$F$402=F400/52	$ 0.050	$ 0.027	
403	Daily	$/kW-day	$F$403=F402/7	$ 0.007	$ 0.004	
404						
405	Hourly Rate:					
406	On -Peak	$/MWh	$F$406=((F390*F378)/4160)*1000	$ 0.631	$ 0.340	
407	Off-Peak	$/MWh	$F$407=((F390*F378)/8760)*1000	$ 0.300	$ 0.161	
408						
409						
410						

Los Angeles Department of Water and Power
Statement
BM Construction Program Statement
Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)
(in Thousands of Dollars)

Legend
Blue = Input costs
Green = from another tab
Black = equation
Allocation Factors
Red = Calculation checks
Bold numbers = flow through to statement BK
Gray = Subtotals of certain columns

Statement BM is included in the PDF document below. Double click on the icon below to open the PDF document.

Statement BM
FY2019-20

	C	D	E	F	G	H	I	J	K	L	M	N	O
1													
2	Los Angeles Department of Water and Power												
3	Statement												
4	Allocation Factors												
5	Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)												
6													
7													
8													
9													
10													
171	**Valley Tab Allocators**												
172													
173					Total	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7	Unit 8	Common	
174	Valley COMMON GROSS PLANT ALLOCATOR	This factor is used to allocate Valley common gross plant, accumulated depreciation, depreciation expense and O&M to each Valley Unit	Valley	Valley	100.00%			9.68%	30.94%	30.32%	29.06%		
175	Valley GROSS PLANT ALLOCATOR	The factor is used to allocate Common Steam plant and O&M to Valley units	Valley	Valley	100.00%	0.28%	0.28%	9.63%	30.76%	30.15%	28.90%		
176	Valley UNIT LABOR ALLOCATOR	This allocator is used to allocate gross plant, accumulated depreciation, and depreciation expense associated with general plant, ECC, and intangible plant to Valley units. It is also used to allocate ECC O&M to Valley units.	Valley	Valley	100.00%	0.25%	5.86%	8.63%	27.57%	31.79%	25.90%		
177	Valley POWER PLANT ACCUM DEPREC ALLOCATOR	This allocator is used to allocate Valley 13 mo average accumulated depreciation to each Valley unit and Valley Common.	Valley	Valley	100.00%	0.53%	0.53%	10.79%	28.49%	28.35%	25.89%	5.41%	
178	VALLEY UNIT ACCUM. DEPR. ALLOCATOR	This allocator is used to allocate Common Steam and RS accumulated depreciation to each unit.	Valley	Valley	100.00%	0.53%	0.53%	11.32%	30.17%	29.99%	27.46%		
179	Depr. Expense (Existing Rates) Allocator For Valley	This allocator is used to allocate RS and Common Steam deprecitation (existing rates) to each unit.	Valley	Valley	100.00%	0.00%	0.00%	9.41%	31.24%	30.59%	28.76%		
180	Depr. Expense (new rates) Allocator For Valley	This allocator is used to allocate RS and Common Steam deprecitation (new rates) to each unit.	Valley	Valley	100.00%	0.00%	0.00%	7.78%	29.17%	28.36%	34.70%		
181	VALLEY UNIT O&M ALLOCATOR	This allocator is used to allocate Safety O&M to each unit.	Valley	Valley	100.00%	0.27%	3.46%	9.12%	29.14%	30.63%	27.38%		
182	RECLASSIFIED Valley O&M ALLOCATOR	The factor is used to allocate Clearing Account adjustment to each unit.	Valley	Valley	100.00%	0.27%	3.35%	9.14%	29.19%	30.63%	27.42%		
183	VALLEY SAFETY O&M ALLOCATOR	This factor allocates Valley Safety O&M to each Valley unit.	Valley	Valley	100.00%	0.27%	3.29%	9.15%	29.23%	30.61%	27.46%		
184													
185	**Harbor Tab Allocators**												
186													
187					Total	Other Common	Unit 1	Unit 2	Unit 5	Unit 6-7 Common	Unit 7	Units 10-14	Unit 1-2 Common
188	HARBOR COMMON GROSS PLANT ALLOCATOR	This factor is used to allocated Harbor common gross plant to specific Harbor Units	Harbor	Harbor	100.00%		0.15%	1.58%	8.17%	0.00%	0.00%	40.87%	49.24%
189	HARBOR GROSS PLANT ALLOCATOR	The factor is used to allocate Common Steam plant to Harbor units. It is also used to allocate Materials and Supplies, Fuel Stock, and Prepayments to each unit.	Harbor	Harbor	100.00%		0.15%	1.58%	8.17%	0.03%	0.00%	40.85%	49.22%
190	HARBOR UNIT LABOR ALLOCATOR	This allocator is used to allocate gross plant, accumulated depreciation, and depreciation expense associated with general plant, ECC, and intangible plant to Harbor units. It is also used to allocate ECC O&M to Harbor units.	Harbor	Harbor	100.00%		4.18%	2.61%	49.46%	0.01%	0.00%	33.41%	10.33%
191	HARBOR POWER PLANT ACCUM DEPREC ALLOCATOR	This allocator is used to allocate the 13 month average Harbor accumulated depreciation, gross plant, depreciation, to each Harbor Unit and Harbor Internal common.	Harbor	Harbor	100.00%	5.03%	0.09%	0.60%	8.29%	0.02%	0.00%	29.50%	56.48%
192	HABOR ACCUM. DEPR UNIT ALLOCATOR	This allocator is used to allocate Common Steam and RS accumulated depreciation to each Harbor unit.	Harbor	Harbor	100.00%		0.1%	0.7%	8.7%	0.0%	0.0%	31.6%	59.0%
193	Depr. Expense (Existing Rates) Allocator For Harbor	This allocator is used to allocate Common Steam and RS depreciation (existing rates) to each Harbor unit	Harbor	Harbor	100.00%		0.35%	4.58%	25.32%	0.00%	0.00%	61.94%	7.81%
194	Depr. Expense (new rates) Allocator For Harbor	This allocator is used to allocate Common Steam and RS depreciation (existing rates) to each Harbor unit	Harbor	Harbor	100.00%		0.22%	6.54%	14.55%	0.00%	0.00%	62.41%	16.29%
195	HARBOR UNIT O&M ALLOCATOR	This allocator is used to allocate Common Steam, Safety, and RS O&M to each Harbor unit. This allocator is also used to allocate Common labor to each Harbor unit.	Harbor	Harbor	100.00%		2.3%	2.4%	35.3%	0.0%	0.0%	35.4%	24.5%
196	RECLASSIFIED Harbor O&M ALLOCATOR	This allocator is used to allocate the Clearing Account Adjustment to each Harbor unit.	Harbor	Harbor	100.00%		2.3%	2.3%	34.2%	0.0%	0.0%	35.7%	25.5%
197	HARBOR SAFETY O&M ALLOCATOR	This allocator is used to allocate Safety O&M to each Harbor unit.	Harbor	Harbor	100.00%		2.2%	2.3%	33.9%	0.0%	0.0%	35.7%	25.8%
198													
199	**Castaic Tab Allocators**												
200													
201					Total	Castaic Common	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7
202	Castaic COMMON GROSS PLANT ALLOCATOR	This factor is used to allocate Castaic common gross plant, accumulated depreciation, depreciation expense and O&M to each Castaic Unit	Castaic	Castaic	100.00%		19.8%	19.8%	8.7%	12.4%	10.3%	15.3%	13.7%
203	Castaic GROSS PLANT ALLOCATOR	The factor is used to allocate Common Hydro plant to Castaic units	Castaic	Castaic	100.00%		19.8%	19.8%	8.7%	12.4%	10.3%	15.3%	13.7%
204	CASTAIC UNIT LABOR ALLOCATOR	This allocator is used to allocate gross plant, accumulated depreciation, and depreciation expense associated with general plant, ECC, and intangible plant to Castaic units. It is also used to allocate ECC O&M to Castaic units.	Castaic	Castaic	100.00%		39.4%	13.9%	6.4%	8.3%	6.9%	12.5%	12.6%
205	Castaic POWER PLANT ACCUM DEPREC ALLOCATOR	This allocator is used to allocate Castaic 13 mo average accumulated depreciation to each Castaic unit and Castaic Common.	Castaic	Castaic	100.00%	82.3%	3.3%	3.4%	1.6%	2.8%	2.0%	3.0%	1.6%
206	CASTAIC UNIT ACCUM. DEPR ALLOCATOR	This allocator is used to allocate Common Hydro acumulated depreciation to each unit.	Castaic	Castaic	100.00%		19.8%	19.7%	8.7%	13.0%	10.5%	15.6%	12.9%
207	Depr. Expense (Existing Rates) Allocator For Castaic	This allocator is used to allocate Common Hydro deprecitation (existing rates) to each unit.	Castaic	Castaic	100.00%		21.8%	19.8%	8.4%	11.8%	10.1%	14.5%	13.9%
208	Depr. Expense (new rates) Allocator For Castaic	This allocator is used to allocate Common Hydro deprecitation (new rates) to each unit.	Castaic	Castaic	100.00%		20.0%	20.0%	8.6%	11.8%	10.1%	15.0%	14.6%
209	HYDRO COMMON O&M ALLOCATOR FOR CASTAIC	This allocator is used to allocate Common Hydro O&M to each unit.	Castaic	Castaic	100.00%		33.0%	16.0%	7.1%	9.9%	8.2%	12.8%	13.1%
210	RECLASSIFIED CASTAIC O&M ALLOCATOR	This allocator is used to allocate the Clearing Account Adjustment to each unit.	Castaic	Castaic	100.00%		33.0%	16.0%	7.1%	9.9%	8.2%	12.8%	13.1%
211	CASTAIC SAFETY O&M ALLOCATOR	This allocator is used to allocate Safety O&M to each Castaic unit.	Castaic	Castaic	100.00%		32.9%	16.0%	7.1%	9.9%	8.2%	12.8%	13.1%

	B	C	D	E	F	G	H	I	J	K
1	**Los Angeles Department of Water and Power**									
2	**Statement**									
3	**Haynes Rate Base**									
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**									
5	**(in Thousands of Dollars)**									
6			**Error Check**							
7	**Legend**	Calculated Totals	$ 5,906,856							
8	Blue = Input costs	Check Totals	$ 5,906,856							
9	Green = from another tab	Difference	$ -							
10	Black = equation	Error Check								
11	Allocation Factors									
12	Red = Calculation checks									
13	**Bold numbers** = flow through to statement BK									
14	Gray = Subtotals of certain columns									
15										
16										
17										
18										
125	**C. Haynes Other Rate Base and Total Rate Base**									
126										
127	HAYNES UNIT LABOR ALLOCATOR						84%	15.75%		100.0%
128	HAYNES RECLASSIFIED GROSS PLANT ALLOCATOR BY UNIT						48%	51.92%		100.0%
129										
130										
131	Other Rate Base									
132	Construction Work in Progress if Applicable	$Z$132=$D$132/3	$ 1	$ 1	$ 1	$ -	$ 1	$ -		$ 1
133	Natural Gas Field		$ -	$ -	$ -	$ -	$ -	$ -		$ -
134	Working Capital									
135	Other Materials and Supplies (FERC 156)	$Y$135=$D135*Y$128	$ 16,210	$ 16,010	$ 7,594	$ 200	$ 7,793	$ 8,417		$ 16,210
136	Fuel Stock	$Y$136=$D136*Y$128	$ 897	$ 886	$ 420	$ 11	$ 431	$ 466		$ 897
137	Nuclear Fuel Stock, Materials, Assemblies	$Y$137=$D137*Y$128	$ -	$ -	$ -	$ -	$ -	$ -		$ -
138	Prepayments									
139	Haynes % From Labor Allocator	$D$139='AL '!X77/D142	35%							
140	Haynes % From Gross Plant Allocator	$D$140=('AL '!X93+'AL '!X103)/D142	65%							
141	HAYNES PREPAYMENT UNIT ALLOCATOR	$R$141=($D139*R$127)+($D140*R$128)					61%	39.18%		100.0%
142	HAYNES PREPAYMENTS ALLOCATED TO UNITS	$D$142='AL '!X159	$ 4,515	$ 4,410	$ 2,641	$ 106	$ 2,746	$ 1,769		$ 4,515
143										
144	Cash Working Capital									
145	Reclassified O&M	$Y$145='Haynes Expense'!U56		$ 73,472	$ 51,402	$ 2,095	$ 53,497	$ 22,070		$ 75,567
146	Clearing Account O&M (if using New Depr. Rates)	$Y$146='Haynes Expense'!U62		$ (194)	$ (136)	$ (6)	$ (142)	$ (58)		$ (200)
147	A&G	$Y$147='Haynes Expense'!U73		$ 12,523	$ 9,369	$ 473	$ 9,843	$ 3,153		$ 12,996
148	Total Expense for Cash Working Capital	$Y$148=SUM(Y145:Y147)		$ 85,801	$ 60,635	$ 2,563	$ 63,198	$ 25,165	#	$ 88,363
149	Total Cash Working Capital	$Y$149=Y148/8		$ 10,725	$ 7,579	$ 320	$ 7,900	$ 3,146		$ 11,045
150										
151	Total Working Capital	$Y$151=Y149+Y142+Y137+Y136+Y135		$ 32,031	$ 18,234	$ 637	$ 18,871	$ 13,797	#	$ 32,668
152	Check from BK				$ 18,234			$ 13,797		
153										
154										
155	**Total Rate Base**	$Y$155=Y151+Y133+Y132+Y121+Y78		**$ 1,052,244**	**$ 386,927**	**$ 4,285**	**$ 391,212**	**$ 665,318**	#	**$ 1,056,530**
156	Rate of Return	$Y$156=' BK'!$AB$121		5.35%	5.35%	5.35%	5.35%	5.35%		5.35%
157	**Return on Rate Base**	$Y$157=Y155*Y156		**$ 56,281**	**$ 20,696**	**$ 229**	**$ 20,925**	**$ 35,586**		**$ 56,511**
158	Check From BK				$ 20,696			$ 35,586		
159	Check									$ 56,511

	B	C	D	L	M	N	O	P	Q
1	**Los Angeles Department of Water and Power**								
2	**Statement**								
3	**Haynes Rate Base**								
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**								
5	**(in Thousands of Dollars)**								
6			**Error Check**						
7	**Legend**	Calculated Totals	$ 5,906,856						
8	Blue = Input costs	Check Totals	$ 5,906,856						
9	Green = from another tab	Difference	$ -						
10	Black = equation	Error Check							
11	Allocation Factors								
12	Red = Calculation checks								
13	**Bold numbers** = flow through to statement BK								
14	Gray = Subtotals of certain columns								
15									
16									
17									
18									
125	**C. Haynes Other Rate Base and Total Rate Base**								
126									
127	HAYNES UNIT LABOR ALLOCATOR			0.0%	0.0%	100.00%		100.0%	43.1%
128	HAYNES RECLASSIFIED GROSS PLANT ALLOCATOR BY UNIT			0.0%	0.0%	100.00%	0.0%	100.0%	10.2%
129									
130									
131	Other Rate Base								
132	Construction Work in Progress if Applicable	$Z$132=$D$132/3	$ 1			$ 1		$ 1	$ -
133	Natural Gas Field		$ -			$ -		$ -	$ -
134	Working Capital							$ -	
135	Other Materials and Supplies (FERC 156)	$Y$135=$D135*Y$128	$ 16,210			$ 16,210		$ 16,210	$ 1,656
136	Fuel Stock	$Y$136=$D136*Y$128	$ 897			$ 897		$ 897	$ 92
137	Nuclear Fuel Stock, Materials, Assemblies	$Y$137=$D137*Y$128	$ -			$ -		$ -	$ -
138	Prepayments								
139	Haynes % From Labor Allocator	$D$139='AL '!X77/D142	35%						
140	Haynes % From Gross Plant Allocator	$D$140=('AL '!X93+'AL '!X103)/D142	65%						
141	HAYNES PREPAYMENT UNIT ALLOCATOR	$R$141=($D139*R$127)+($D140*R$128)				100.00%		100.0%	21.8%
142	HAYNES PREPAYMENTS ALLOCATED TO UNITS	$D$142='AL '!X159	$ 4,515			$ 4,515		$ 4,515	$ 985
143									
144	Cash Working Capital								
145	Reclassified O&M	$Y$145='Haynes Expense'!U56				$ 75,567		$ 75,567	$ 31,905
146	Clearing Account O&M (if using New Depr. Rates)	$Y$146='Haynes Expense'!U62				$ (200)		$ (200)	$ (84)
147	A&G	$Y$147='Haynes Expense'!U73				$ 12,996		$ 12,996	$ 4,596
148	Total Expense for Cash Working Capital	$Y$148=SUM(Y145:Y147)		$ -	$ -	$ 88,363	$ -	$ 88,363	$ 36,417
149	Total Cash Working Capital	$Y$149=Y148/8				$ 11,045		$ 11,045	$ 4,552
150									
151	Total Working Capital	$Y$151=Y149+Y142+Y137+Y136+Y135		$ -	$ -	$ 32,668	$ -	$ 32,668	$ 7,285
152	Check from BK								
153									
154									
155	**Total Rate Base**	$Y$155=Y151+Y133+Y132+Y121+Y78		**$ -**	**$ -**	**$ 1,056,530**	**$ -**	**$ 1,056,530**	**$ 76,448**
156	Rate of Return	$Y$156=' BK'!$AB$121		5.35%	5.35%	5.35%	5.35%	5.35%	5.35%
157	**Return on Rate Base**	$Y$157=Y155*Y156		**$ -**	**$ -**	**$ 56,511**	**$ -**	**$ 56,511**	**$ 4,089**
158	Check From BK								
159	Check								

	B	C	D	R	S	T	U	V	W
1	**Los Angeles Department of Water and Power**								
2	**Statement**								
3	**Haynes Rate Base**								
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**								
5	**(in Thousands of Dollars)**								
6			**Error Check**						
7	**Legend**	Calculated Totals	$ 5,906,856						
8	Blue = Input costs	Check Totals	$ 5,906,856						
9	Green = from another tab	Difference	$ -						
10	Black = equation	Error Check							
11	Allocation Factors								
12	Red = Calculation checks								
13	**Bold numbers** = flow through to statement BK								
14	Gray = Subtotals of certain columns								
15									
16									
17									
18									
125	**C. Haynes Other Rate Base and Total Rate Base**								
126									
127	HAYNES UNIT LABOR ALLOCATOR			26.63%	16.48%	0.02%	0.01%	0.01%	0.00%
128	HAYNES RECLASSIFIED GROSS PLANT ALLOCATOR BY UNIT			5.34%	4.88%	0.24%	0.24%	0.35%	0.26%
129									
130									
131	Other Rate Base								
132	Construction Work in Progress if Applicable	$Z$132=$D$132/3	$ 1						
133	Natural Gas Field		$ -	$ -	$ -	$ -	$ -	$ -	$ -
134	Working Capital								
135	Other Materials and Supplies (FERC 156)	$Y$135=$D135*Y$128	$ 16,210	$ 865.9	$ 790.4	$ 39.0	$ 38.4	$ 57.3	$ 42.2
136	Fuel Stock	$Y$136=$D136*Y$128	$ 897	$ 47.9	$ 43.8	$ 2.2	$ 2.1	$ 3.2	$ 2.3
137	Nuclear Fuel Stock, Materials, Assemblies	$Y$137=$D137*Y$128	$ -	$ -	$ -	$ -	$ -	$ -	$ -
138	Prepayments								
139	Haynes % From Labor Allocator	$D$139='AL '!X77/D142	35%						
140	Haynes % From Gross Plant Allocator	$D$140=('AL '!X93+'AL '!X103)/D142	65%						
141	HAYNES PREPAYMENT UNIT ALLOCATOR	$R$141=($D139*R$127)+($D140*R$128)		12.84%	8.96%	0.16%	0.16%	0.23%	0.17%
142	HAYNES PREPAYMENTS ALLOCATED TO UNITS	$D$142='AL '!X159	$ 4,515	$ 579.9	$ 404.8	$ 7.3	$ 7.1	$ 10.5	$ 7.6
143									
144	Cash Working Capital								
145	Reclassified O&M	$Y$145='Haynes Expense'!U56		$ 16,663.1	$ 15,241.8	$ 16.9	$ 8.1	$ 22.3	$ 12.5
146	Clearing Account O&M (if using New Depr. Rates)	$Y$146='Haynes Expense'!U62		$ (44.1)	$ (40.3)	$ (0.0)	$ (0.0)	$ (0.1)	$ (0.0)
147	A&G	$Y$147='Haynes Expense'!U73		$ 2,809.5	$ 1,786.6	$ 9.0	$ 8.2	$ 12.0	$ 8.0
148	Total Expense for Cash Working Capital	$Y$148=SUM(Y145:Y147)		$ 19,428	$ 16,988	$ 26	$ 16	$ 34	$ 20
149	Total Cash Working Capital	$Y$149=Y148/8		$ 2,428.6	$ 2,123.5	$ 3.2	$ 2.0	$ 4.3	$ 2.6
150									
151	Total Working Capital	$Y$151=Y149+Y142+Y137+Y136+Y135		$ 3,922	$ 3,362	$ 52	$ 50	$ 75	$ 55
152	Check from BK								
153									
154									
155	**Total Rate Base**	$Y$155=Y151+Y133+Y132+Y121+Y78		**$ 43,183**	**$ 33,265**	**$ (183)**	**$ (190)**	**$ (56)**	**$ (106)**
156	Rate of Return	$Y$156=' BK'!$AB$121		5.35%	5.35%	5.35%	5.35%	5.35%	5.35%
157	**Return on Rate Base**	$Y$157=Y155*Y156		**$ 2,310**	**$ 1,779**	**$ (10)**	**$ (10)**	**$ (3)**	**$ (6)**
158	Check From BK								
159	Check								

	B	C	D	X	Y	Z	AA	AB	AC
1	**Los Angeles Department of Water and Power**								
2	**Statement**								
3	**Haynes Rate Base**								
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**								
5	**(in Thousands of Dollars)**								
6			**Error Check**						
7	**Legend**	Calculated Totals	$ 5,906,856						
8	Blue = Input costs	Check Totals	$ 5,906,856						
9	Green = from another tab	Difference	$ -						
10	Black = equation	Error Check							
11	Allocation Factors								
12	Red = Calculation checks								
13	**Bold numbers** = flow through to statement BK								
14	Gray = Subtotals of certain columns								
15									
16									
17									
18									
125	**C. Haynes Other Rate Base and Total Rate Base**								
126									
127	HAYNES UNIT LABOR ALLOCATOR			56.85%	4.35%	16.51%	11.17%	9.08%	2.52%
128	HAYNES RECLASSIFIED GROSS PLANT ALLOCATOR BY UNIT			88.69%	0.14%	12.22%	13.03%	11.38%	8.32%
129									
130									
131	Other Rate Base								
132	Construction Work in Progress if Applicable	$Z$132=$D$132/3	$ 1	$ 1		$ 0.3	$ 0.3	$ 0.3	
133	Natural Gas Field		$ -	$ -	$ -	$ -	$ -	$ -	$ -
134	Working Capital								
135	Other Materials and Supplies (FERC 156)	$Y$135=$D135*Y$128	$ 16,210	$ 14,377	$ 22.8	$ 1,980.9	$ 2,111.5	$ 1,845.0	$ 1,349.2
136	Fuel Stock	$Y$136=$D136*Y$128	$ 897	$ 796	$ 1.3	$ 109.7	$ 116.9	$ 102.1	$ 74.7
137	Nuclear Fuel Stock, Materials, Assemblies	$Y$137=$D137*Y$128	$ -	$ -	$ -	$ -	$ -	$ -	$ -
138	Prepayments								
139	Haynes % From Labor Allocator	$D$139='AL '!X77/D142	35%						
140	Haynes % From Gross Plant Allocator	$D$140=('AL '!X93+'AL '!X103)/D142	65%						
141	HAYNES PREPAYMENT UNIT ALLOCATOR	$R$141=($D139*R$127)+($D140*R$128)		77.47%	1.62%	13.73%	12.37%	10.57%	6.28%
142	HAYNES PREPAYMENTS ALLOCATED TO UNITS	$D$142='AL '!X159	$ 4,515	$ 3,498	$ 73.2	$ 620.1	$ 558.6	$ 477.3	$ 283.5
143									
144	Cash Working Capital								
145	Reclassified O&M	$Y$145='Haynes Expense'!U56		$ 43,602	$ 2,035.1	$ 8,052.5	$ 6,389.2	$ 5,055.3	$ 3,536.3
146	Clearing Account O&M (if using New Depr. Rates)	$Y$146='Haynes Expense'!U62		$ (115)	$ (5.4)	$ (21.3)	$ (16.9)	$ (13.4)	$ (9.4)
147	A&G	$Y$147='Haynes Expense'!U73		$ 8,363	$ 436.1	$ 2,014.9	$ 1,508.1	$ 1,250.3	$ 505.4
148	Total Expense for Cash Working Capital	$Y$148=SUM(Y145:Y147)		$ 51,850	$ 2,466	$ 10,046	$ 7,880	$ 6,292	$ 4,032
149	Total Cash Working Capital	$Y$149=Y148/8		$ 6,481	$ 308.2	$ 1,255.8	$ 985.1	$ 786.5	$ 504.0
150									
151	Total Working Capital	$Y$151=Y149+Y142+Y137+Y136+Y135		$ 25,152	$ 406	$ 3,966	$ 3,772	$ 3,211	$ 2,211
152	Check from BK								
153									
154									
155	**Total Rate Base**	$Y$155=Y151+Y133+Y132+Y121+Y78		**$ 980,617**	**$ 4,821**	**$ 104,234**	**$ 106,229**	**$ 100,015**	**$ 107,116**
156	Rate of Return	$Y$156=' BK'!$AB$121			5.35%	5.35%	5.35%	5.35%	5.35%
157	**Return on Rate Base**	$Y$157=Y155*Y156			**$ 258**	**$ 5,575**	**$ 5,682**	**$ 5,350**	**$ 5,729**
158	Check From BK								
159	Check								

	B	C	D	AD	AE	AF	AG	AH
1	**Los Angeles Department of Water and Power**							
2	**Statement**							
3	**Haynes Rate Base**							
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**							
5	**(in Thousands of Dollars)**							
6			**Error Check**					
7	**Legend**	Calculated Totals	$ 5,906,856					
8	Blue = Input costs	Check Totals	$ 5,906,856					
9	Green = from another tab	Difference	$ -					
10	Black = equation	Error Check						
11	Allocation Factors							
12	Red = Calculation checks							
13	**Bold numbers** = flow through to statement BK							
14	Gray = Subtotals of certain columns							
15								
16								
17								
18								
125	**C. Haynes Other Rate Base and Total Rate Base**							
126								
127	HAYNES UNIT LABOR ALLOCATOR			3.64%	2.63%	2.34%	2.30%	2.31%
128	HAYNES RECLASSIFIED GROSS PLANT ALLOCATOR BY UNIT			8.88%	8.84%	8.43%	8.43%	9.03%
129								
130								
131	Other Rate Base							
132	Construction Work in Progress if Applicable	$Z$132=$D$132/3	$ 1					
133	Natural Gas Field		$ -	$ -	$ -	$ -	$ -	$ -
134	Working Capital							
135	Other Materials and Supplies (FERC 156)	$Y$135=$D135*Y$128	$ 16,210	$ 1,438.9	$ 1,432.3	$ 1,366.3	$ 1,366.4	$ 1,463.6
136	Fuel Stock	$Y$136=$D136*Y$128	$ 897	$ 79.7	$ 79.3	$ 75.6	$ 75.6	$ 81.0
137	Nuclear Fuel Stock, Materials, Assemblies	$Y$137=$D137*Y$128	$ -	$ -	$ -	$ -	$ -	$ -
138	Prepayments							
139	Haynes % From Labor Allocator	$D$139='AL '!X77/D142	35%					
140	Haynes % From Gross Plant Allocator	$D$140=('AL '!X93+'AL '!X103)/D142	65%					
141	HAYNES PREPAYMENT UNIT ALLOCATOR	$R$141=($D139*R$127)+($D140*R$128)		7.03%	6.65%	6.28%	6.27%	6.66%
142	HAYNES PREPAYMENTS ALLOCATED TO UNITS	$D$142='AL '!X159	$ 4,515	$ 317.6	$ 300.3	$ 283.7	$ 283.0	$ 300.9
143								
144	Cash Working Capital							
145	Reclassified O&M	$Y$145='Haynes Expense'!U56		$ 4,955.5	$ 3,699.6	$ 3,309.7	$ 3,257.9	$ 3,311.4
146	Clearing Account O&M (if using New Depr. Rates)	$Y$146='Haynes Expense'!U62		$ (13.1)	$ (9.8)	$ (8.8)	$ (8.6)	$ (8.8)
147	A&G	$Y$147='Haynes Expense'!U73		$ 633.6	$ 532.1	$ 490.1	$ 486.0	$ 506.3
148	Total Expense for Cash Working Capital	$Y$148=SUM(Y145:Y147)		$ 5,576	$ 4,222	$ 3,791	$ 3,735	$ 3,809
149	Total Cash Working Capital	$Y$149=Y148/8		$ 697.0	$ 527.7	$ 473.9	$ 466.9	$ 476.1
150								
151	Total Working Capital	$Y$151=Y149+Y142+Y137+Y136+Y135		$ 2,533	$ 2,340	$ 2,199	$ 2,192	$ 2,322
152	Check from BK							
153								
154								
155	**Total Rate Base**	$Y$155=Y151+Y133+Y132+Y121+Y78		**$ 114,299**	**$ 112,997**	**$ 108,070**	**$ 108,062**	**$ 114,773**
156	Rate of Return	$Y$156=' BK'!$AB$121		5.35%	5.35%	5.35%	5.35%	5.35%
157	**Return on Rate Base**	$Y$157=Y155*Y156		**$ 6,114**	**$ 6,044**	**$ 5,780**	**$ 5,780**	**$ 6,139**
158	Check From BK							
159	Check							

	B	C	D	E	F	G	H	I	J	K	L	M
1	**Los Angeles Department of Water and Power**											
2	**Statement**											
3	**Haynes Expense**											
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**											
5	**(in Thousands of Dollars)**											
6												
7	**Legend**	**Error Check**										
8	Blue = Input costs	Calculated Totals	$ 745,783									
9	Green = from another tab	Check Totals	$ 745,783									
10	Black = equation	Difference	$ (0.00)									
11	Allocation Factors	Error Check										
12	Red = Calculation checks											
13												
14	**Bold numbers** = flow through to statement BK											
15	Gray = Subtotals of certain columns											
16												
17		Print Button										
108	**F. HAYNES DEPRECIATION EXPENSE - NEW RATES**											
109				Toal Haynes	Total Haynes		Total Haynes	Total Haynes	Total Haynes			
110	Item	Reference	Depreciation Expense From AJ-New Rates	All Units (Excl U3-6, U7)	Units 1-10 (Excl U 3-6 (retired), U7(does not provide AS)	Haynes Retired Units and Units that do not provide AS (Units 3-6 and U7)	Units 1-10	Units 11-16	Units 11-16	Haynes Common Depreciation Expense	Total Haynes Units 1-16	Total Haynes Units 1-10
111	Power Plant Depreciation Expense	Power Plant/Depreciation Study		$ 52,571	$ 20,550	$ 185	$ 20,735	$ 25,120	$ 52,756	$ 6,901	$ 45,855	$ 20,735
112	HAYNES COMMON GROSS PLANT ALLOCATOR	$M$87=SUM(O87:X87)							100.0%		100.0%	77.97%
113	Reclassify Haynes Common to Units	$Q$113=-$K113*Q112		$ (4)	$ 5,377	$ 4	$ 5,381	$ 1,520	$ -	$ (6,901)	$ 6,901	$ 5,381
114	Reclassified Haynes Depreciation Expense	$Q$114=Q113+Q111		$ 52,567	$ 25,926	$ 189	$ 26,115	$ 26,641	$ 52,756	$ -	$ 52,756	$ 26,115
115	Check from AJ New Rates								$ 52,756			
116	HAYNES UNIT DEPRECIATION EXPENSE ALLOCATOR - NEW RATES	$M$91=SUM(O91:X91)							100%		100.0%	49.50%
117	Reclassify Steam Depreciation to Units	$M$117=SUM(O117:X117)	$ 61	$ 61	$ 30	$ 0	$ 30	$ 31	$ 61		$ 61	$ 30
118	Receiving RS to Haynes	$M$118=SUM(O118:X118)	$ 85	$ 85	$ 42	$ 0	$ 42	$ 43	$ 85		$ 85	$ 42
119	Total Haynes Depreciation Before ECC, General and Intangible Plant Allocations	$M$119=M118+M117+M114		$ 52,713	$ 25,998	$ 190	$ 26,188	$ 26,715	$ 52,903	$ -	$ 52,903	$ 26,188
120	Check from AJ New Rates			$ 52,713					$ 52,903			
121	HAYNES UNIT LABOR ALLOCATOR	$M$121=SUM(O121:X121)							100%		100.0%	84.25%
122	ECC Allocated to Haynes	$M$122=SUM(O122:X122)	$ 81	$ 78	$ 65	$ 4	$ 68	$ 13	$ 81		$ 81	$ 68
123	Intangible Amortization Allocated to Haynes	$M$123=SUM(O123:X123)	$ 3,039	$ 2,906	$ 2,427	$ 133	$ 2,561	$ 479	$ 3,039		$ 3,039	$ 2,561
124	General Plant Allocation to Haynes	$M$124=SUM(O124:X124)	$ 1,978	$ 1,891	$ 1,580	$ 87	$ 1,666	$ 311	$ 1,978		$ 1,978	$ 1,666
125	Total Haynes Depreciation Expense	$M$125=M124+M123+M122+M119		$ 57,588	$ 30,070	$ 413	$ 30,483	$ 27,518	$ 58,001	$ -	$ 58,001	$ 30,483
126	Check from AJ New Rates			$ 57,588								$ 30,072
127	Check from BK				$ 30,070			$ 27,518	New Rates			
128												
129	Depreciation Check											
130	This Sheet				$ 30,070			$ 27,518				
131	Check from BK				$ 30,070			$ 27,518				
132												
133												
134				Toal Haynes	Total Haynes		Total Haynes	Total Haynes				
135				All Units (Excl U3-6, U7)	Units 1-10 (Excl U 3-6 (retired), U7(does not provide AS)	Haynes Retired Units and Units that do not provide AS (Units 3-6 and U7)	Units 1-10	Units 11-16	Total All Units	Haynes Common Labor	Total Haynes Units 1-16	Total Haynes Units 1-10
136	**G. Haynes Labor**											
137	Haynes Labor (Excl fuel related)	$M$137=SUM(O137:X137)		$ 25,532	$ 10,756	$ 733	$ 11,489	$ -	$ 26,265	$ 14,777	$ 11,489	$ 11,489
138	HAYNES OLD AND NEW UNIT O&M ALLOCATOR	$M$138=SUM(O138:X138)							100.00%		100.00%	72.01%
139	Allocated Haynes Common Labor to Haynes Units	$M$139=SUM(O139:X139)		$ (419)	$ 10,221	$ 419	$ 10,640	$ 4,136	$ -	$ (14,777)	$ 14,777	$ 10,640
140	Haynes Labor (Excl fuel related)	$M$140=M139+M137		$ 25,114	$ 20,977	$ 1,152	$ 22,129	$ 4,136	$ 26,265	$ -	$ 26,265	$ 22,129
141	HAYNES UNIT LABOR ALLOCATOR	$M$141=SUM(O141:X141)							100.00%		100.00%	84.25%
142	Check from AI								$ 26,265			
143	Note: Statement AI incldues additional labor reclassifications but these are not shown here. Including the other reclassifications for items such as Common Steam, RS, etc, would not mathematically change the Haynes labor allocator because all those items will be allocated to units using the labor allocator above.											

	B	C	D	N	O	P	Q	R	S	T	U	V
1	**Los Angeles Department of Water and Power**											
2	**Statement**											
3	**Haynes Expense**											
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**											
5	**(in Thousands of Dollars)**											
6												
7	**Legend**	**Error Check**										
8	Blue = Input costs	Calculated Totals	$ 745,783									
9	Green = from another tab	Check Totals	$ 745,783									
10	Black = equation	Difference	$ (0.00)									
11	Allocation Factors	Error Check										
12	Red = Calculation checks											
13												
14	**Bold numbers** = flow through to statement BK											
15	Gray = Subtotals of certain columns											
16												
17		Print Button										
108	**F. HAYNES DEPRECIATION EXPENSE - NEW RATES**											
109												
110	Item	Reference	Depreciation Expense From AJ-New Rates	Total Haynes Units 1-2	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7	Unit 8
111	Power Plant Depreciation Expense	Power Plant/Depreciation Study		$ 1,675	$ 991	$ 684	$ -	$ -	$ -	$ -	$ 185	$ 7,008
112	HAYNES COMMON GROSS PLANT ALLOCATOR	$M$87=SUM(O87:X87)		62.37%	31.2%	31.2%	0.0%	0.0%	0.0%	0.0%	0.1%	5.2%
113	Reclassify Haynes Common to Units	$Q$113=-$K113*Q112		$ 4,304	$ 2,152	$ 2,152	$ -	$ -	$ -	$ -	$ 4	$ 358
114	Reclassified Haynes Depreciation Expense	$Q$114=Q113+Q111		$ 5,979	$ 3,143	$ 2,836	$ -	$ -	$ -	$ -	$ 189	$ 7,366
115	Check from AJ New Rates											
116	HAYNES UNIT DEPRECIATION EXPENSE ALLOCATOR - NEW RATES	$M$91=SUM(O91:X91)		11.33%	5.96%	5.37%	0.00%	0.00%	0.00%	0.00%	0.36%	13.96%
117	Reclassify Steam Depreciation to Units	$M$117=SUM(O117:X117)	$ 61	$ 7	$ 4	$ 3	$ -	$ -	$ -	$ -	$ 0	$ 9
118	Receiving RS to Haynes	$M$118=SUM(O118:X118)	$ 85	$ 10	$ 5	$ 5	$ -	$ -	$ -	$ -	$ 0	$ 12
119	Total Haynes Depreciation Before ECC, General and Intangible Plant Allocations	$M$119=M118+M117+M114		$ 5,995	$ 3,152	$ 2,844	$ -	$ -	$ -	$ -	$ 190	$ 7,386
120	Check from AJ New Rates											
121	HAYNES UNIT LABOR ALLOCATOR	$M$121=SUM(O121:X121)		43.11%	26.63%	16.48%	0.02%	0.01%	0.01%	0.00%	4.35%	16.51%
122	ECC Allocated to Haynes	$M$122=SUM(O122:X122)	$ 81	$ 35	$ 22	$ 13	$ 0	$ 0	$ 0	$ 0	$ 4	$ 13
123	Intangible Amortization Allocated to Haynes	$M$123=SUM(O123:X123)	$ 3,039	$ 1,310	$ 809	$ 501	$ 1	$ 0	$ 0	$ 0	$ 132	$ 502
124	General Plant Allocation to Haynes	$M$124=SUM(O124:X124)	$ 1,978	$ 853	$ 527	$ 326	$ 0	$ 0	$ 0	$ 0	$ 86	$ 327
125	Total Haynes Depreciation Expense	$M$125=M124+M123+M122+M119		$ 8,193	$ 4,509	$ 3,684	$ 1	$ 1	$ 1	$ 0	$ 411	$ 8,228
126	Check from AJ New Rates											
127	Check from BK											
128												
129	Depreciation Check											
130	This Sheet											
131	Check from BK											
132												
133												
134												
135				Total Haynes Units 1-2	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7	Unit 8
136	**G. Haynes Labor**											
137	Haynes Labor (Excl fuel related)	$M$137=SUM(O137:X137)		$ 4,757	$ 3,582	$ 1,175	$ 3	$ 3	$ 2	$ -	$ 724	$ 2,803
138	HAYNES OLD AND NEW UNIT O&M ALLOCATOR	$M$138=SUM(O138:X138)		44.43%	23.09%	21.34%	0.01%	-0.01%	0.01%	0.00%	2.83%	10.39%
139	Allocated Haynes Common Labor to Haynes Units	$M$139=SUM(O139:X139)		$ 6,565	$ 3,412	$ 3,153	$ 1	$ (1)	$ 1	$ 0	$ 418	$ 1,535
140	Haynes Labor (Excl fuel related)	$M$140=M139+M137		$ 11,322	$ 6,994	$ 4,328	$ 4	$ 3	$ 3	$ 0	$ 1,141	$ 4,338
141	HAYNES UNIT LABOR ALLOCATOR	$M$141=SUM(O141:X141)		43.11%	26.63%	16.48%	0.02%	0.01%	0.01%	0.00%	4.35%	16.51%
142	Check from AI											
143	Note: Statement AI incldues additional labor reclassifications but these are not shown here. Including the other reclassifications for items such as Common Steam, RS, etc, would not mathematically change the Haynes labor allocator because all those items will be allocated to units using the labor allocator above.											

	B	C	D	W	X	Y	Z	AA	AB	AC	AD	AE
1	**Los Angeles Department of Water and Power**											
2	**Statement**											
3	**Haynes Expense**											
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**											
5	**(in Thousands of Dollars)**											
6												
7	**Legend**	**Error Check**										
8	Blue = Input costs	Calculated Totals	$ 745,783									
9	Green = from another tab	Check Totals	$ 745,783									
10	Black = equation	Difference	$ (0.00)									
11	Allocation Factors	Error Check										
12	Red = Calculation checks											
13												
14	**Bold numbers** = flow through to statement BK											
15	Gray = Subtotals of certain columns											
16												
17		Print Button										
108	**F. HAYNES DEPRECIATION EXPENSE - NEW RATES**											
109												
110	Item	Reference	Depreciation Expense From AJ-New Rates	Unit 9	Unit 10	Total New Units	Unit 11	Unit 12	Unit 13	Unit 14	Unit 15	Unit 16
111	Power Plant Depreciation Expense	Power Plant/Depreciation Study		$ 6,053	$ 5,814	$ 25,120	$ 4,049	$ 4,287	$ 4,268	$ 4,087	$ 4,087	$ 4,343
112	HAYNES COMMON GROSS PLANT ALLOCATOR	$M$87=SUM(O87:X87)		5.5%	4.8%	22.0%	3.5%	3.8%	3.7%	3.6%	3.6%	3.8%
113	Reclassify Haynes Common to Units	$Q$113=-$K113*Q112		$ 381	$ 333	$ 1,520	$ 244	$ 260	$ 259	$ 247	$ 247	$ 264
114	Reclassified Haynes Depreciation Expense	$Q$114=Q113+Q111		$ 6,434	$ 6,147	$ 26,641	$ 4,292	$ 4,547	$ 4,527	$ 4,333	$ 4,334	$ 4,608
115	Check from AJ New Rates											
116	HAYNES UNIT DEPRECIATION EXPENSE ALLOCATOR - NEW RATES	$M$91=SUM(O91:X91)		12.20%	11.65%	50.5%	8.14%	8.62%	8.58%	8.21%	8.22%	8.73%
117	Reclassify Steam Depreciation to Units	$M$117=SUM(O117:X117)	$ 61	$ 7	$ 7	$ 31	$ 5	$ 5	$ 5	$ 5	$ 5	$ 5
118	Receiving RS to Haynes	$M$118=SUM(O118:X118)	$ 85	$ 10	$ 10	$ 43	$ 7	$ 7	$ 7	$ 7	$ 7	$ 7
119	Total Haynes Depreciation Before ECC, General and Intangible Plant Allocations	$M$119=M118+M117+M114		$ 6,452	$ 6,164	$ 26,715	$ 4,304	$ 4,559	$ 4,539	$ 4,345	$ 4,346	$ 4,620
120	Check from AJ New Rates											
121	HAYNES UNIT LABOR ALLOCATOR	$M$121=SUM(O121:X121)		11.17%	9.08%	15.7%	2.52%	3.64%	2.63%	2.34%	2.30%	2.31%
122	ECC Allocated to Haynes	$M$122=SUM(O122:X122)	$ 81	$ 9	$ 7	$ 13	$ 2	$ 3	$ 2	$ 2	$ 2	$ 2
123	Intangible Amortization Allocated to Haynes	$M$123=SUM(O123:X123)	$ 3,039	$ 339	$ 276	$ 479	$ 77	$ 111	$ 80	$ 71	$ 70	$ 70
124	General Plant Allocation to Haynes	$M$124=SUM(O124:X124)	$ 1,978	$ 221	$ 180	$ 311	$ 50	$ 72	$ 52	$ 46	$ 45	$ 46
125	Total Haynes Depreciation Expense	$M$125=M124+M123+M122+M119		$ 7,021	$ 6,627	$ 27,518	$ 4,433	$ 4,745	$ 4,674	$ 4,464	$ 4,463	$ 4,738
126	Check from AJ New Rates											
127	Check from BK											
128												
129	Depreciation Check											
130	This Sheet											
131	Check from BK											
132												
133												
134												
135				Unit 9	Unit 10	Total New Units	Unit 11	Unit 12	Unit 13	Unit 14	Unit 15	Unit 16
136	**G. Haynes Labor**											
137	Haynes Labor (Excl fuel related)	$M$137=SUM(O137:X137)		$ 1,742	$ 1,454	$ -						
138	HAYNES OLD AND NEW UNIT O&M ALLOCATOR	$M$138=SUM(O138:X138)		8.06%	6.30%	28.0%	4.48%	6.48%	4.68%	4.15%	4.08%	4.11%
139	Allocated Haynes Common Labor to Haynes Units	$M$139=SUM(O139:X139)		$ 1,191	$ 930	$ 4,136	$ 663	$ 957	$ 692	$ 614	$ 603	$ 608
140	Haynes Labor (Excl fuel related)	$M$140=M139+M137		$ 2,933	$ 2,384	$ 4,136	$ 663	$ 957	$ 692	$ 614	$ 603	$ 608
141	HAYNES UNIT LABOR ALLOCATOR	$M$141=SUM(O141:X141)		11.17%	9.08%	15.75%	2.52%	3.64%	2.63%	2.34%	2.30%	2.31%
142	Check from AI											
143	Note: Statement AI incldues additional labor reclassifications but these are not shown here. Including the other reclassifications for items such as Common Steam, RS, etc, would not mathematically change the Haynes labor allocator because all those items will be allocated to units using the labor allocator above.											

	B	C	D	E	F	G	H	I	J	K
1	**Los Angeles Department of Water and Power**									
2	**Statement**									
3	**Scattergood Rate Base**									
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**									
5	**(in Thousands of Dollars)**									
6			**Error Check**							
7	**Legend**	Calculated Totals	$ 4,554,086							
8	Blue = Input costs	Check Totals	$ 4,554,086							
9	Green = from another tab	Difference	$ -							
10	Black = equation	Error Check								
11	Allocation Factors									
12	Red = Calculation checks									
13	**Bold numbers** = flow through to statement BK									
14	Gray = Subtotals of certain columns									
15										
16										
17										
18										
123				Total Scattergood	Total Scattergood	Total Scattergood	Total Scattergood		Total	
124	**C. Scattergood Other Rate Base and Total Rate Base**		Allocations to Scattergood From Other Statements	All Units (Excl Retired U3)	Units 1-5 (Excl Retired U3)	Units 1-5	Units 6-7		Scattergood	LA Basin Common Allocated to Scattergood
125										
126	SCATTERGOOD UNIT LABOR ALLOCATOR	$Q$126='Allocation Factors'!H165				87%	13.01%		100.00%	
127	SCATTERGOOD RECLASSIFIED GROSS PLANT ALLOCATOR	$Q$127=Q70				66%	33.83%		100.00%	
128										
129	Other Rate Base									
130	Construction Work in Progress (assume 50% U1 and 50% U2)	$R$130=D130*0.5	$ 8,016	$ 8,016	$ 8,016	$ 8,016	$ -		$ 8,016	
131	Natural Gas Field		$ -	$ -	$ -	$ -	$ -		$ -	
132	Working Capital									
133	Other Materials and Supplies (FERC 156)	$Y$133=$D133*Y$127	$ 13,636	$ 13,501	$ 8,889	$ 9,024	$ 4,612		$ 13,636	
134	Fuel Stock	$Y$134=$D134*Y$127	$ 754	$ 746	$ 491	$ 499	$ 255		$ 754	
135	Nuclear Fuel Stock, Materials, Assemblies	$Y$135=$D135*Y$127	$ -	$ -	$ -	$ -	$ -		$ -	
136	Prepayments									
137	Scattergood % from Labor Allocator	$D$137='AL '!W77/'AL '!W159	28%							
138	Scattergood % from Gross Plant Allocator	$D$138=('AL '!W103+'AL '!W93)/'AL '!W159	72%							
139	SCATTERGOOD PREPAYMENT ALLOCATOR	$R$139=($D137*R$126)+(R$127*$D138)				72%	28.10%		100.00%	
140	Scattergood Prepayments	$D$140='AL '!W159	$ 3,393	$ 3,368	$ 2,415	$ 2,440	$ 953		$ 3,393	
141										
142	Cash Working Capital									
143	Reclassified O&M	$Y$143='Sctrgd Expense'!X63		$ 43,222	$ 36,121	$ 36,177	$ 7,101		$ 43,278	
144	Clearing Account O&M (if using New Depr. Rates)	$Y$144='Sctrgd Expense'!X69		$ (118)	$ (98)	$ (98)	$ (19)		$ (118)	
145	A&G	$Y$145='Sctrgd Expense'!X78		$ 8,378	$ 6,748	$ 6,778	$ 1,630		$ 8,408	
146	Total Expense for Cash Working Capital	$Y$146=SUM(Y143:Y145)		$ 51,483	$ 42,771	$ 42,857	$ 8,712		$ 51,569	
147	Total Cash Working Capital	$Y$147=Y146/8		$ 6,435	$ 5,346	$ 5,357	$ 1,089		$ 6,435	
148										
149	Total Working Capital	$Y$149=Y147+Y140+Y135+Y134+Y133		$ 24,051	$ 17,141	$ 17,319	$ 6,910		$ 24,218	$ -
150										
151	Total Other Rate Base	$Y$151=Y149+Y131+Y130		$ 32,067	$ 25,158	$ 25,336	$ 6,910		$ 32,235	$ -
152										
153	**Total Rate Base**	$Y$153=Y80+Y119+Y151		**$ 1,001,479**	**$ 625,829**	**$ 628,144**	**$ 375,650**		**$ 1,003,783**	**$ -**
154	Rate of Return	$Y$154=' BK'!$Z$121		5.35%	5.35%	5.35%	5.35%		5.35%	5.35%
155	**Return on Rate Base**	$Y$155=Y153*Y154		**$ 53,566**	**$ 33,474**	**$ 33,598**	**$ 20,092**		**$ 53,689**	**$ -**

	B	C	D	L	M	N	O	P	Q
1	**Los Angeles Department of Water and Power**								
2	**Statement**								
3	**Scattergood Rate Base**								
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**								
5	**(in Thousands of Dollars)**								
6			**Error Check**						
7	**Legend**	Calculated Totals	$ 4,554,086						
8	Blue = Input costs	Check Totals	$ 4,554,086						
9	Green = from another tab	Difference	$ -						
10	Black = equation	Error Check							
11	Allocation Factors								
12	Red = Calculation checks								
13	**Bold numbers** = flow through to statement BK								
14	Gray = Subtotals of certain columns								
15									
16									
17									
18									
123						Power Plant			Power Plant
124	**C. Scattergood Other Rate Base and Total Rate Base**		Allocations to Scattergood From Other Statements	Receiving Station (RS) Allocated to Scattergood	Total GL Scattergood	Scattergood Common	Total Scattergood Units 1-7	Total Scattergood Units 1-2	Unit 1
125									
126	SCATTERGOOD UNIT LABOR ALLOCATOR	$Q$126='Allocation Factors'!H165			100.00%	0.00%	100.00%	64.98%	35.18%
127	SCATTERGOOD RECLASSIFIED GROSS PLANT ALLOCATOR	$Q$127=Q70			100.00%	0.00%	100.00%	15.55%	7.98%
128									
129	Other Rate Base								
130	Construction Work in Progress (assume 50% U1 and 50% U2)	$R$130=D130*0.5	$ 8,016		$ 8,016		$ 8,016	$ 8,016	$ 4,008
131	Natural Gas Field		$ -		$ -		$ -	$ -	$ -
132	Working Capital								
133	Other Materials and Supplies (FERC 156)	$Y$133=$D133*Y$127	$ 13,636		$ 13,636		$ 13,636	$ 2,120	$ 1,087.72
134	Fuel Stock	$Y$134=$D134*Y$127	$ 754		$ 754		$ 754	$ 117	$ 60.13
135	Nuclear Fuel Stock, Materials, Assemblies	$Y$135=$D135*Y$127	$ -		$ -		$ -	$ -	$ -
136	Prepayments								
137	Scattergood % from Labor Allocator	$D$137='AL '!W77/'AL '!W159	28%						
138	Scattergood % from Gross Plant Allocator	$D$138=('AL '!W103+'AL '!W93)/'AL '!W159	72%						
139	SCATTERGOOD PREPAYMENT ALLOCATOR	$R$139=($D137*R$126)+(R$127*$D138)			100.00%		100.00%	29.15%	15.46%
140	Scattergood Prepayments	$D$140='AL '!W159	$ 3,393		$ 3,393		$ 3,393	$ 989	$ 524.58
141									
142	Cash Working Capital								
143	Reclassified O&M	$Y$143='Sctrgd Expense'!X63			$ 43,278		$ 43,278	$ 24,433	$ 12,758.88
144	Clearing Account O&M (if using New Depr. Rates)	$Y$144='Sctrgd Expense'!X69			$ (118)		$ (118)	$ (66)	$ (34.69)
145	A&G	$Y$145='Sctrgd Expense'!X78			$ 8,408		$ 8,408	$ 4,190	$ 2,256.67
146	Total Expense for Cash Working Capital	$Y$146=SUM(Y143:Y145)			$ 51,569		$ 51,569	$ 28,557	$ 14,981
147	Total Cash Working Capital	$Y$147=Y146/8			$ 6,435		$ 6,435	$ 3,570	$ 1,873
148									
149	Total Working Capital	$Y$149=Y147+Y140+Y135+Y134+Y133		$ -	$ 24,218	$ -	$ 24,218	$ 6,796	$ 3,545
150									
151	Total Other Rate Base	$Y$151=Y149+Y131+Y130		$ -	$ 32,235	$ -	$ 32,235	$ 14,813	$ 7,553
152									
153	**Total Rate Base**	$Y$153=Y80+Y119+Y151		**$ -**	**$ 1,003,783**	**$ -**	**$ 1,003,783**	**$ 73,193**	**$ 36,206**
154	Rate of Return	$Y$154=' BK'!$Z$121		5.35%	5.35%	5.35%	5.35%	5.35%	5.35%
155	**Return on Rate Base**	$Y$155=Y153*Y154		**$ -**	**$ 53,689**	**$ -**	**$ 53,689**	**$ 3,915**	**$ 1,937**

	B	C	D	R	S	T	U	V	W
1	**Los Angeles Department of Water and Power**								
2	**Statement**								
3	**Scattergood Rate Base**								
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**								
5	**(in Thousands of Dollars)**								
6			**Error Check**						
7	**Legend**	Calculated Totals	$ 4,554,086						
8	Blue = Input costs	Check Totals	$ 4,554,086						
9	Green = from another tab	Difference	$ -						
10	Black = equation	Error Check							
11	Allocation Factors								
12	Red = Calculation checks								
13	**Bold numbers** = flow through to statement BK								
14	Gray = Subtotals of certain columns								
15									
16									
17									
18									
123				Power Plant	Power Plant		Power Plant	Power Plant	
124	**C. Scattergood Other Rate Base and Total Rate Base**		Allocations to Scattergood From Other Statements	Unit 2	Unit 3	Total Scattergood Units 4-7	Unit 4	Unit 5	Scattergood Units 6-7
125									
126	SCATTERGOOD UNIT LABOR ALLOCATOR	$Q$126='Allocation Factors'!H165		29.81%	0.08%	34.94%	14.02%	7.91%	13.01%
127	SCATTERGOOD RECLASSIFIED GROSS PLANT ALLOCATOR	$Q$127=Q70		7.57%	0.99%	83.46%	32.86%	16.77%	33.83%
128									
129	Other Rate Base								
130	Construction Work in Progress (assume 50% U1 and 50% U2)	$R$130=D130*0.5	$ 8,016	$ 4,008		$ -			$ -
131	Natural Gas Field		$ -	$ -	$ -	$ -	$ -	$ -	$ -
132	Working Capital								
133	Other Materials and Supplies (FERC 156)	$Y$133=$D133*Y$127	$ 13,636	$ 1,032.71	$ 134.84	$ 11,381	$ 4,481.15	$ 2,287.16	$ 4,612
134	Fuel Stock	$Y$134=$D134*Y$127	$ 754	$ 57.09	$ 7.45	$ 629	$ 247.72	$ 126.43	$ 255
135	Nuclear Fuel Stock, Materials, Assemblies	$Y$135=$D135*Y$127	$ -	$ -	$ -	$ -	$ -	$ -	$ -
136	Prepayments								
137	Scattergood % from Labor Allocator	$D$137='AL '!W77/'AL '!W159	28%						
138	Scattergood % from Gross Plant Allocator	$D$138=('AL '!W103+'AL '!W93)/'AL '!W159	72%						
139	SCATTERGOOD PREPAYMENT ALLOCATOR	$R$139=($D137*R$126)+(R$127*$D138)		13.69%	0.74%	70.11%	27.68%	14.33%	28.10%
140	Scattergood Prepayments	$D$140='AL '!W159	$ 3,393	$ 464.56	$ 25.07	$ 2,379	$ 939.18	$ 486.34	$ 953
141									
142	Cash Working Capital								
143	Reclassified O&M	$Y$143='Sctrgd Expense'!X63		$ 11,674.19	$ 56.17	$ 18,789	$ 7,517.29	$ 4,170.50	$ 7,101
144	Clearing Account O&M (if using New Depr. Rates)	$Y$144='Sctrgd Expense'!X69		$ (31.74)	$ (0.15)	$ (51)	$ (20.44)	$ (11.34)	$ (19)
145	A&G	$Y$145='Sctrgd Expense'!X78		$ 1,933.37	$ 30.18	$ 4,188	$ 1,664.69	$ 893.28	$ 1,630
146	Total Expense for Cash Working Capital	$Y$146=SUM(Y143:Y145)		$ 13,576	$ 86	$ 22,926	$ 9,162	$ 5,052	$ 8,712
147	Total Cash Working Capital	$Y$147=Y146/8		$ 1,697	$ 11	$ 2,866	$ 1,145	$ 632	$ 1,089
148									
149	Total Working Capital	$Y$149=Y147+Y140+Y135+Y134+Y133		$ 3,251	$ 178	$ 17,255	$ 6,813	$ 3,531	$ 6,910
150									
151	Total Other Rate Base	$Y$151=Y149+Y131+Y130		$ 7,260	$ 178	$ 17,255	$ 6,813	$ 3,531	$ 6,910
152									
153	**Total Rate Base**	$Y$153=Y80+Y119+Y151		**$ 36,987**	**$ 2,315**	**$ 928,286**	**$ 365,737**	**$ 186,899**	**$ 375,650**
154	Rate of Return	$Y$154=' BK'!$Z$121		5.35%	5.35%	5.35%	5.35%	5.35%	5.35%
155	**Return on Rate Base**	$Y$155=Y153*Y154		**$ 1,978**	**$ 124**	**$ 49,651**	**$ 19,562**	**$ 9,997**	**$ 20,092**

	B	C	D	X	Y
1	**Los Angeles Department of Water and Power**				
2	**Statement**				
3	**Scattergood Rate Base**				
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**				
5	**(in Thousands of Dollars)**				
6			**Error Check**		
7	**Legend**	Calculated Totals	$ 4,554,086		
8	Blue = Input costs	Check Totals	$ 4,554,086		
9	Green = from another tab	Difference	$ -		
10	Black = equation	Error Check			
11	Allocation Factors				
12	Red = Calculation checks				
13	**Bold numbers** = flow through to statement BK				
14	Gray = Subtotals of certain columns				
15					
16					
17					
18					
123				Power Plant	Power Plant
124	**C. Scattergood Other Rate Base and Total Rate Base**		Allocations to Scattergood From Other Statements	Unit 6	Unit 7
125					
126	SCATTERGOOD UNIT LABOR ALLOCATOR	$Q$126='Allocation Factors'!H165		6.71%	6.30%
127	SCATTERGOOD RECLASSIFIED GROSS PLANT ALLOCATOR	$Q$127=Q70		16.91%	16.91%
128					
129	Other Rate Base				
130	Construction Work in Progress (assume 50% U1 and 50% U2)	$R$130=D130*0.5	$ 8,016		
131	Natural Gas Field		$ -	$ -	$ -
132	Working Capital				
133	Other Materials and Supplies (FERC 156)	$Y$133=$D133*Y$127	$ 13,636	$ 2,306.23	$ 2,306.23
134	Fuel Stock	$Y$134=$D134*Y$127	$ 754	$ 127.49	$ 127.49
135	Nuclear Fuel Stock, Materials, Assemblies	$Y$135=$D135*Y$127	$ -	$ -	$ -
136	Prepayments				
137	Scattergood % from Labor Allocator	$D$137='AL '!W77/'AL '!W159	28%		
138	Scattergood % from Gross Plant Allocator	$D$138=('AL '!W103+'AL '!W93)/'AL '!W159	72%		
139	SCATTERGOOD PREPAYMENT ALLOCATOR	$R$139=($D137*R$126)+(R$127*$D138)		14.11%	13.99%
140	Scattergood Prepayments	$D$140='AL '!W159	$ 3,393	$ 478.62	$ 474.76
141					
142	Cash Working Capital				
143	Reclassified O&M	$Y$143='Sctrgd Expense'!X63		$ 3,642.97	$ 3,458.24
144	Clearing Account O&M (if using New Depr. Rates)	$Y$144='Sctrgd Expense'!X69		$ (9.91)	$ (9.40)
145	A&G	$Y$145='Sctrgd Expense'!X78		$ 827.21	$ 803.06
146	Total Expense for Cash Working Capital	$Y$146=SUM(Y143:Y145)		$ 4,460	$ 4,252
147	Total Cash Working Capital	$Y$147=Y146/8		$ 558	$ 531
148					
149	Total Working Capital	$Y$149=Y147+Y140+Y135+Y134+Y133		$ 3,470	$ 3,440
150					
151	Total Other Rate Base	$Y$151=Y149+Y131+Y130		$ 3,470	$ 3,440
152					
153	**Total Rate Base**	$Y$153=Y80+Y119+Y151		**$ 187,925**	**$ 187,725**
154	Rate of Return	$Y$154=' BK'!$Z$121		5.35%	5.35%
155	**Return on Rate Base**	$Y$155=Y153*Y154		**$ 10,052**	**$ 10,041**

	B	C	D	E	F	G	H	I	J	K	L	M	N
1	**Los Angeles Department of Water and Power**												
2	**Statement**												
3	**Scattergodd Expense**												
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**												
5	**(in Thousands of Dollars)**												
6													
7	**Legend**	**Error Check**											
8	Blue = Input costs	Calculated Totals	$ 482,398										
9	Green = from another tab	Check Totals	$ 482,398										
10	Black = equation	Difference	$ -										
11	Allocation Factors	Error Check											
12	Red = Calculation checks												
13	**Bold numbers** = flow through to statement BK												
14	Gray = Subtotals of certain columns												
15													
16													
17		Print Button											
112	**F. Scattergood DEPRECIATION EXPENSE - NEW RATES**												
113				Total Scattergood	Total Scattergood	Total Scattergood	Total Scattergood						
114	Item	Reference	Depreciation Expense From AJ	All Units (Excl Retired U3)	Units 1-5 (Excl Retired U3)	Units 1-5	Units 6-7	Total Including Common	Scattergood Common Depreciation Expense	Scattergood 4-7 Common	Total Units 1-7	Total Units 1-5	Total Units 1-3
115	Power Plant Depreciation Expense	Depreciation Study		$ 50,730	$ 29,099	$ 29,099	$ 14,602	$ 50,730	$ 7,029		$ 43,702	$ 29,099	$ 7,685
116	SCATTERGOOD COMMON PLANT ALLOCATOR	$R$116='Allocation Factors'!J151						100.0%			100.0%	93.1%	83.0%
117	Reclassify Scattergood Common to Units	$R$117=-R116*$J117		$ -	$ 6,545	$ 6,545	$ 484	$ -	$ (7,029)		$ 7,029	$ 6,545	$ 5,836
118	Scattergood Depreciation Expense Before Other Reclassifications	$R$118=R117+R115		$ 50,730	$ 35,644	$ 35,644	$ 15,086	$ 50,730	$ -	$ -	$ 50,730	$ 35,644	$ 13,521
119	SCATTERGOOD UNIT DEPRECIATION ALLOCATOR- NEW RATES	$M$119=N119+T119+U119						100.0%			100.0%	70.3%	26.7%
120	Reclassify Common Steam Gross Plant to Units	$R$120=R$119*$D120	$ 59	$ 59	$ 41	$ 41	$ 17	$ 59			$ 59	$ 41	$ 16
121	Reclassify Receiving Stations to LA Basin	$R$121=R$119*$D121	$ 82	$ 82	$ 58	$ 58	$ 24	$ 82			$ 82	$ 58	$ 22
122	Total Scattergood Depreciation Before Other Allocations	$I$122=I121+I120+I118		$ 50,871	$ 35,743	$ 35,743	$ 15,128	$ 50,871	$ -	$ -	$ 50,871	$ 35,743	$ 13,558
123	Check from AJ New Rates												
124	Check from BK if using new rates												
125													
126	SCATTERGOOD UNIT LABOR ALLOCATOR	$M$126=N126+T126+U126									100.0%	87.0%	65.1%
127	ECC Allocated to Scattergood	$R$127=R$126*$D127	$ 48	$ 48	$ 41	$ 41	$ 6	$ 48			$ 48	$ 41	$ 31
128	Intangible Amortization Allocated to Scattergood	$R$128=R$126*$D128	$ 1,783	$ 1,782	$ 1,550	$ 1,551	$ 232	$ 1,783			$ 1,783	$ 1,551	$ 1,160
129	General Plant Allocation to Scattergood	$R$129=R$126*$D129	$ 1,161	$ 1,160	$ 1,009	$ 1,010	$ 151	$ 1,161			$ 1,161	$ 1,010	$ 755
130	Total Reclassified Scattergood Depreciation Expense	$O$130=O122+O127+O128+O129		$ 53,860	$ 38,343	$ 38,346	$ 15,517	$ 53,863	$ -	$ -	$ 53,863	$ 38,346	$ 15,505
131	Check from AJ-New Rates			$ 53,860									
132	Check from BK if using new rates				$ 38,343		$ 15,517						
133													
134	Depreciation Check												
135	This Sheet				$ 38,343		$ 15,517						
136	Check from BK				$ 38,343		$ 15,517						
137													
138													
139	**G. Scattergood Labor**												
140	Scattergood Labor (Excl fuel related)	LADWP GL		$ 16,259	$ 1,925	$ 1,932	$ -	$ 16,266	$ 14,334		$ 1,932	$ 1,932	$ 1,932
141	SCATTERGOOD O&M ALLOCATOR	$M$141=N141+T141+U141						100.00%			100.0%	85.2%	60.4%
142	Allocated Scattergood Common Labor to Scattergood Units	$R$142=-R141*$J142		$ (6)	$ 12,212	$ 12,218	$ 2,116	$ -	$ (14,334)		$ 14,334	$ 12,218	$ 8,651
143	Scattergood Labor (Excl fuel related)	$O$143=O142+O140		$ 16,253	$ 14,137	$ 14,150	$ 2,116	$ 16,266	$ -	$ -	$ 16,266	$ 14,150	$ 10,583
144	SCATTERGOOD UNIT LABOR ALLOCATOR	$M$144=N144+T144+U144									100.0%	87.0%	65.1%
145	Check from AI							$ 16,266					
146	Note: Statement AI incldues additional labor reclassifications but these are not shown here. Including the other reclassifications for items such as Common Steam, RS, etc, would not mathematically change the Scattergood labor allocator because all those items will be allocated to units using the labor allocator above.												

	B	C	D	O	P	Q	R	S	T	U	V	W	X
1	**Los Angeles Department of Water and Power**												
2	**Statement**												
3	**Scattergodd Expense**												
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**												
5	**(in Thousands of Dollars)**												
6													
7	**Legend**	**Error Check**											
8	Blue = Input costs	Calculated Totals	$ 482,398										
9	Green = from another tab	Check Totals	$ 482,398										
10	Black = equation	Difference	$ -										
11	Allocation Factors	Error Check											
12	Red = Calculation checks												
13	**Bold numbers** = flow through to statement BK												
14	Gray = Subtotals of certain columns												
15													
16													
17		Print Button											
112	**F. Scattergood DEPRECIATION EXPENSE - NEW RATES**												
113													
114	Item	Reference	Depreciation Expense From AJ	Total Units 1-2	Unit 1	Unit 2	Unit 3	Units 4-7	Unit 4	Unit 5	Total Units 6-7	Unit 6	Unit 7
115	Power Plant Depreciation Expense	Depreciation Study		$ 7,685	$ 3,510	$ 4,175	$ -	$ 36,017	$ 14,182	$ 7,232	$ 14,602	$ 7,301	$ 7,301
116	SCATTERGOOD COMMON PLANT ALLOCATOR	$R$116='Allocation Factors'!J151		83.0%	41.51%	41.51%	0.00%	17.0%	6.68%	3.41%	6.9%	3.44%	3.44%
117	Reclassify Scattergood Common to Units	$R$117=-R116*$J117		$ 5,836	$ 2,918	$ 2,918	$ -	$ 1,193	$ 470	$ 240	$ 484	$ 242	$ 242
118	Scattergood Depreciation Expense Before Other Reclassifications	$R$118=R117+R115		$ 13,521	$ 6,428	$ 7,092	$ -	$ 37,210	$ 14,652	$ 7,472	$ 15,086	$ 7,543	$ 7,543
119	SCATTERGOOD UNIT DEPRECIATION ALLOCATOR- NEW RATES	$M$119=N119+T119+U119		26.7%	12.7%	14.0%	0.0%	73.3%	28.9%	14.7%	29.7%	14.9%	14.9%
120	Reclassify Common Steam Gross Plant to Units	$R$120=R$119*$D120	$ 59	$ 16	$ 7	$ 8	$ -	$ 43	$ 17	$ 9	$ 17	$ 9	$ 9
121	Reclassify Receiving Stations to LA Basin	$R$121=R$119*$D121	$ 82	$ 22	$ 10	$ 11	$ -	$ 60	$ 24	$ 12	$ 24	$ 12	$ 12
122	Total Scattergood Depreciation Before Other Allocations	$I$122=I121+I120+I118		$ 13,558	$ 6,446	$ 7,112	$ -	$ 37,313	$ 14,692	$ 7,493	$ 15,128	$ 7,564	$ 7,564
123	Check from AJ New Rates												
124	Check from BK if using new rates												
125													
126	SCATTERGOOD UNIT LABOR ALLOCATOR	$M$126=N126+T126+U126		65.0%	35.2%	29.8%	0.1%	34.9%	14.0%	7.9%	13.0%	6.7%	6.3%
127	ECC Allocated to Scattergood	$R$127=R$126*$D127	$ 48	$ 31	$ 17	$ 14	$ 0	$ 17	$ 7	$ 4	$ 6	$ 3	$ 3
128	Intangible Amortization Allocated to Scattergood	$R$128=R$126*$D128	$ 1,783	$ 1,159	$ 627	$ 532	$ 1	$ 623	$ 250	$ 141	$ 232	$ 120	$ 112
129	General Plant Allocation to Scattergood	$R$129=R$126*$D129	$ 1,161	$ 754	$ 408	$ 346	$ 1	$ 406	$ 163	$ 92	$ 151	$ 78	$ 73
130	Total Reclassified Scattergood Depreciation Expense	$O$130=O122+O127+O128+O129		$ 15,502	$ 7,498	$ 8,004	$ 2	$ 38,358	$ 15,112	$ 7,729	$ 15,517	$ 7,765	$ 7,752
131	Check from AJ-New Rates												
132	Check from BK if using new rates												
133													
134	Depreciation Check												
135	This Sheet												
136	Check from BK												
137													
138													
139	**G. Scattergood Labor**												
140	Scattergood Labor (Excl fuel related)	LADWP GL		$ 1,925	$ 1,210	$ 715	$ 7	$ -			$ -		
141	SCATTERGOOD O&M ALLOCATOR	$M$141=N141+T141+U141		60.3%	31.5%	28.8%	0.0%	39.6%	15.9%	9.0%	14.8%	7.6%	7.1%
142	Allocated Scattergood Common Labor to Scattergood Units	$R$142=-R141*$J142		$ 8,645	$ 4,511.30	$ 4,133.70	$ 6.46	$ 5,683	$ 2,280.95	$ 1,285.89	$ 2,116	$ 1,091.54	$ 1,024.16
143	Scattergood Labor (Excl fuel related)	$O$143=O142+O140		$ 10,570	$ 5,722	$ 4,849	$ 13	$ 5,683	$ 2,281	$ 1,286	$ 2,116	$ 1,092	$ 1,024
144	SCATTERGOOD UNIT LABOR ALLOCATOR	$M$144=N144+T144+U144		65.0%	35%	30%	0%	34.9%	14%	8%	13.0%	7%	6%
145	Check from AI												
146	Note: Statement AI incldues additional labor reclassifications but these are not shown here. Including the other reclassifications for items such as Common Steam, RS, etc, would not mathematically change the Scattergood labor allocator because all those items will be allocated to units using the labor allocator above.												

	B	C	D	E	F	G	H	I
1	**Los Angeles Department of Water and Power**							
2	**Harbor**							
3	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**							
4	**(in Thousands of Dollars)**							
5								
6	**Legend**	**Error Check**						
7	Blue = Input costs	Calculated Totals	$ 123,736					
8	Green = from another tab	Check Totals	$ 123,736					
9	Black = equation	Difference	$ -					
10	Allocation Factors	Error Check						
11	Red = Calculation checks							
12	**Bold numbers** = flow through to statement BK							
13	Gray = Subtotals of certain columns							
14								
175	**E. Clearing Account Adjustment**							
176	RECLASSIFIED Harbor O&M ALLOCATOR	$J$176=J170/$H$170		100%			100.0%	
177	Clearing Account Adj. From AJ New Rates	$J$177=$D177*J176	$ (101)	$ (101)	$ (100.67)		$ (101)	$ (101)
178	Check with AJ-New Rates				$ (100.67)			
179								
180								
181								
182	**F.Harbor Labor**		Costs Allocated					
183			to Harbor	Total Harbor	Total Harbor Excl U 6&7 (Retired)	Other Common	Total Units 1,2,5,6,7,10-14	Total Units 1,2,5,10-14
184	Harbor Labor	LADWP GL		$ 11,092	$ 11,092	$ 4,674	$ 6,418	$ 6,418
185	HARBOR UNIT O&M ALLOCATOR	$J$156=J155/$H$155		100%			100.0%	
186	Allocate Harbor Common Labor to Harbor Units	$J$186=-$G$186*J185		$ -	$ (1)	$ (4,674)	$ 4,674	$ 4,673
187	Harbor Labor	$J$187=J186+J184		$ 11,092	$ 11,091		$ 11,092	$ 11,091
188	HARBOR UNIT LABOR ALLOCATOR	$J$188=J187/$H$187		100%			100.0%	
189								
190								
191	**G. Harbor A&G**							
192	A&G - Excl Prop.Insurance	$J$192=$D192*J188	$ 4,224	$ 4,224	$ 4,223		$ 4,224	$ 4,223
193	A&G - Property Insurance	$J$193=$D193*J43	$ 1,226	$ 1,226	$ 1,226		$ 1,226	$ 1,226
194	Total Harbor A&G	$J$194=SUM(J192:J193)	$ 5,450	$ 5,450	$ 5,448.87		$ 5,450	$ 5,449
195	Check with AH				$ 5,448.87			
196								
197	**H. Property Tax**							
198	Property Tax Allocated to Harbor	$J$198=$D198*J43	$ -	$ -	$ -		$ -	$ -
199								
200	**I. Other Rate Base**							
201								
202	**I.1 Construction Work in Progress**		$ -	$ -	$ -		$ -	$ -
203								
204	**I.2 Working Capital**							
205	HARBOR GROSS PLANT ALLOCATOR	$J$205=J43		100%			100.0%	
206	Other Materials and Supplies (FERC 156)	$J$206=J$205*$D206	$ 6,483	$ 6,483	$ 6,480.63		$ 6,483	$ 6,481
207	Fuel Stock	$J$207=J$205*$D207	$ 355	$ 355	$ 355.15		$ 355	$ 355
208	Nuclear Fuel Stock, Materials, Assemblies	$J$208=J$205*$D208	$ -	$ -	$ -		$ -	$ -
209	Prepayments	$J$209=J$205*$D209	$ 1,841	$ 1,841	$ 1,840.02		$ 1,841	$ 1,840
210	Cash Working Capital (CWC)							$ -
211	Reclassified O&M	$J$211=J170		$ 36,990	$ 36,983.00		$ 36,989.51	$ 36,983.00
212	Clearing Account O&M (if using New Depr. Rates)	$J$212=IF('Control Sheet'!$B$21="New Rates",J177,0)		$ (101)	$ (100.67)		$ (101)	$ (101)
213	A&G	$J$213=J194		$ 5,450	$ 5,448.87		$ 5,450	$ 5,449
214	Total Expense for Cash Working Capital	$J$214=SUM(J211:J213)		$ 42,338	$ 42,331.20	$ -	$ 42,338	$ 42,331
215	Total Cash Working Capital	$J$215=J214/8		$ 5,292	$ 5,291.40		$ 5,292	$ 5,291
216								
217	Total Working Capital	$J$217=J215+J209+J208+J207+J206		$ 13,971	$ 13,967.20	$ -	$ 13,971	$ 13,967
218	Check from BK				$ 13,967.20			

	B	C	J	K	L	M	N	O	P
1	**Los Angeles Department of Water and Power**								
2	**Harbor**								
3	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**								
4	**(in Thousands of Dollars)**								
5									
6	**Legend**	**Error Chec**							
7	Blue = Input costs	Calculated Totals							
8	Green = from another tab	Check Totals							
9	Black = equation	Difference							
10	Allocation Factors	Error Check							
11	Red = Calculation checks								
12	**Bold numbers** = flow through to statement BK								
13	Gray = Subtotals of certain columns								
14									
175	**E. Clearing Account Adjustment**								
176	RECLASSIFIED Harbor O&M ALLOCATOR	$J$176=J170/$H$170	2.3%	2.3%	34.2%	0.0%	0.0%	35.7%	25.5%
177	Clearing Account Adj. From AJ New Rates	$J$177=$D177*J176	$ (2)	$ (2)	$ (34)	$ (0)	$ (0)	$ (36)	$ (26)
178	Check with AJ-New Rates								
179									
180									
181									
182	**F.Harbor Labor**								
183			Unit 1	Unit 2	Unit 5	Unit 6-7 Common	Unit 7	Units 10-14	Unit 1-2 Common
184	Harbor Labor	LADWP GL	$ 354	$ 179	$ 3,836			$ 2,049	
185	HARBOR UNIT O&M ALLOCATOR	$J$156=J155/$H$155	2.3%	2.4%	35.3%	0.0%	0.0%	35.4%	24.5%
186	Allocate Harbor Common Labor to Harbor Units	$J$186=-$G$186*J185	$ 109	$ 111	$ 1,650	$ 1	$ 0	$ 1,657	$ 1,146
187	Harbor Labor	$J$187=J186+J184	$ 463	$ 290	$ 5,486	$ 1	$ 0	$ 3,706	$ 1,146
188	HARBOR UNIT LABOR ALLOCATOR	$J$188=J187/$H$187	4.2%	2.6%	49.5%	0.0%	0.0%	33.4%	10.3%
189									
190									
191	**G. Harbor A&G**								
192	A&G - Excl Prop.Insurance	$J$192=$D192*J188	$ 176	$ 110	$ 2,089	$ 0	$ 0	$ 1,411	$ 436
193	A&G - Property Insurance	$J$193=$D193*J43	$ 2	$ 19	$ 100	$ 0	$ 0	$ 501	$ 603
194	Total Harbor A&G	$J$194=SUM(J192:J193)	$ 178	$ 130	$ 2,189	$ 1	$ 0	$ 1,912	$ 1,040
195	Check with AH								
196									
197	**H. Property Tax**								
198	Property Tax Allocated to Harbor	$J$198=$D198*J43	$ -	$ -	$ -	$ -	$ -	$ -	$ -
199									
200	**I. Other Rate Base**								
201									
202	**I.1 Construction Work in Progress**								
203									
204	**I.2 Working Capital**								
205	HARBOR GROSS PLANT ALLOCATOR	$J$205=J43	0.1%	1.6%	8.2%	0.0%	0.0%	40.9%	49.2%
206	Other Materials and Supplies (FERC 156)	$J$206=J$205*$D206	$ 10	$ 102	$ 529	$ 2	$ 0	$ 2,648	$ 3,191
207	Fuel Stock	$J$207=J$205*$D207	$ 0.52	$ 5.60	$ 29.02	$ 0	$ 0	$ 145.13	$ 174.87
208	Nuclear Fuel Stock, Materials, Assemblies	$J$208=J$205*$D208	$ -	$ -	$ -	$ -	$ -	$ -	$ -
209	Prepayments	$J$209=J$205*$D209	$ 3	$ 29	$ 150	$ 1	$ 0	$ 752	$ 906
210	Cash Working Capital (CWC)								
211	Reclassified O&M	$J$211=J170	$ 839	$ 865	$ 12,658	$ 6	$ 0	$ 13,197	$ 9,424
212	Clearing Account O&M (if using New Depr. Rates)	$J$212=IF('Control Sheet'!$B$21="New Rates",J177,0)	$ (2)	$ (2)	$ (34)	$ (0)	$ (0)	$ (36)	$ (26)
213	A&G	$J$213=J194	$ 178	$ 130	$ 2,189	$ 1	$ 0	$ 1,912	$ 1,040
214	Total Expense for Cash Working Capital	$J$214=SUM(J211:J213)	$ 1,014	$ 992	$ 14,813	$ 7	$ 0	$ 15,073	$ 10,438
215	Total Cash Working Capital	$J$215=J214/8	$ 126.81	$ 124.05	$ 1,851.62	$ 0.88	$ 0.02	$ 1,884.13	$ 1,304.80
216									
217	Total Working Capital	$J$217=J215+J209+J208+J207+J206	$ 140	$ 261	$ 2,560	$ 4	$ 0	$ 5,430	$ 5,577
218	Check from BK								

	B	C	D	E	F	G	H
1	**Los Angeles Department of Water and Power**						
2	**Valley**						
3	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**						
4	**(in Thousands of Dollars)**						
5							
6	**Legend**	**Error Check**					
7	Blue = Input costs	Calculated Totals	$ 865,207				
8	Green = from another tab	Check Totals	$ 865,207				
9	Black = equation	Difference	$ (0.00)				
10	Allocation Factors	Error Check					
11	Red = Calculation checks						
12	**Bold numbers** = flow through to statement BK						
13	Gray = Subtotals of certain columns						
14							
174	**E. Clearing Account Adjustment**						
175	RECLASSIFIED Valley O&M ALLOCATOR	$J$175=J170/$I$170			100%		
176	Clearing Account Adj. From AJ New Rates	$J$176=$D176*J175	$ (85)	$ (3)	$ (85)	$ (82)	
177	Check with AJ-New Rates					$ (82)	
178							
179							
180							
181	**F.Valley Labor**						
182			Costs Allocated to Valley	Total Retired Units (3&4)	Total Valley	Total Valley Excl U 3&4 (Retired)	Other Common
183	Valley Labor (excl fuel related)	LADWP GL		$ 266	$ 10,278,030	$ 10,012	$ 9,723
184	VALLEY UNIT O&M ALLOCATOR	$J$156=J155/$I$155			100%		
185	Allocate Valley Common Labor to Valley Units	$J$185=-$H$185*J184		$ 362	$ -	$ (362)	$ (9,723)
186	Valley Labor Before Common Steam Allocation	$J$186=J185+J183			$ 10,278	$ 9,650	
187	Valley UNIT LABOR ALLOCATOR	$J$187=J186/$I$186			100%		
188					$ 10,278		
189							
190	**G. Valley A&G**						
191	A&G - Excl Prop.Insurance	$J$191=$D191*J187	$ 3,884	$ 237	$ 3,884	$ 3,646	
192	A&G - Property Insurance	$J$192=$D192*J43	$ 1,082	$ 6	$ 1,082	$ 1,076	
193	Total Valley A&G	$J$193=SUM(J191:J192)	$ 4,965	$ 243	$ 4,965	$ 4,722.06	
194	Check with AH					$ 4,722.06	
195							
196	**H. Property Tax**						
197	Property Tax Allocated to Valley	$J$197=$D197*J43	$ -	$ -	$ -	$ -	
198	Check with BK					$ -	
199							
200	**I. Other Rate Base**						
201							
202	**I.1 Construction Work in Progress**	$I$202=SUM(J202:K202)+L202	$ -	$ -	$ -	$ -	
203							
204	**I.2 Working Capital**						
205	Valley GROSS PLANT ALLOCATOR	$J$205=J43			100%		
206	Other Materials and Supplies (FERC 156)	$J$206=J$205*$D206	$ 5,721	$ 32	$ 5,721	$ 5,689	
207	Fuel Stock	$J$207=J$205*$D207	$ 315	$ 2	$ 315	$ 313	
208	Nuclear Fuel Stock, Materials, Assemblies	$J$208=J$205*$D208	$ -	$ -	$ -	$ -	
209	Prepayments	$J$209=J$205*$D209	$ 1,652	$ 9	$ 1,652	$ 1,643	
210	Cash Working Capital (CWC)					$ -	
211	Reclassified O&M	$J$211=J170		$ 1,178	$ 32,535	$ 31,358	
212	Clearing Account O&M (if using New Depr. Rates)	$J$212=IF('Control Sheet'!$B$21="New Rates",J176,0)		$ (3)	$ (85)	$ (82)	
213	A&G	$J$213=J193		$ 243	$ 4,965	$ 4,722	
214	Total Expense for Cash Working Capital	$J$214=SUM(J211:J213)		$ 1,418	$ 37,415	$ 35,997	$ -
215	Total Cash Working Capital	$J$215=J214/8		$ 177	$ 4,677	$ 4,500	
216							

	B	C	D	E	F	G	H
1	**Los Angeles Department of Water and Power**						
2	**Valley**						
3	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**						
4	**(in Thousands of Dollars)**						
5							
6	**Legend**	**Error Check**					
7	Blue = Input costs	Calculated Totals	$ 865,207				
8	Green = from another tab	Check Totals	$ 865,207				
9	Black = equation	Difference	$ (0.00)				
10	Allocation Factors	Error Check					
11	Red = Calculation checks						
12	**Bold numbers** = flow through to statement BK						
13	Gray = Subtotals of certain columns						
14							
217	Total Working Capital	$J$217=J215+J209+J208+J207+J206		$ 221	$ 12,365	$ 12,144.35	$ -
218	Check from BK					$ 12,144.35	

	B	C	I	J	K	L	M	N	O
1	**Los Angeles Department of Water and Power**								
2	**Valley**								
3	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**								
4	**(in Thousands of Dollars)**								
5									
6	**Legend**	**Error Chec**							
7	Blue = Input costs	Calculated Totals							
8	Green = from another tab	Check Totals							
9	Black = equation	Difference							
10	Allocation Factors	Error Check							
11	Red = Calculation checks								
12	**Bold numbers** = flow through to statement BK								
13	Gray = Subtotals of certain columns								
14									
174	**E. Clearing Account Adjustment**								
175	RECLASSIFIED Valley O&M ALLOCATOR	$J$175=J170/$I$170	100%	0.3%	3.4%	96%	9.1%	29.2%	30.6%
176	Clearing Account Adj. From AJ New Rates	$J$176=$D176*J175	$ (85)	$ (0)	$ (3)	$ (82)	$ (8)	$ (25)	$ (26)
177	Check with AJ-New Rates								
178									
179									
180									
181	**F.Valley Labor**								
182			Total Units 3-8	Unit 3	Unit 4		Unit 5	Unit 6	Unit 7
183	Valley Labor (excl fuel related)	LADWP GL	$ 555		$ 266	$ 289			$ 289
184	VALLEY UNIT O&M ALLOCATOR	$J$156=J155/$I$155	100%	0.3%	3.5%	96%	9.1%	29.1%	30.6%
185	Allocate Valley Common Labor to Valley Units	$J$185=-$H$185*J184	$ 9,723	$ 26	$ 336	$ 9,361	$ 887	$ 2,834	$ 2,978
186	Valley Labor Before Common Steam Allocation	$J$186=J185+J183	$ 10,278	$ 26	$ 602	$ 9,650	$ 887	$ 2,834	$ 3,268
187	Valley UNIT LABOR ALLOCATOR	$J$187=J186/$I$186	100%	0.3%	5.9%	94%	8.6%	27.6%	31.8%
188									
189									
190	**G. Valley A&G**								
191	A&G - Excl Prop.Insurance	$J$191=$D191*J187	$ 3,884	$ 10	$ 227	$ 3,646	$ 335	$ 1,071	$ 1,235
192	A&G - Property Insurance	$J$192=$D192*J43	$ 1,082	$ 3	$ 3	$ 1,076	$ 104	$ 333	$ 326
193	Total Valley A&G	$J$193=SUM(J191:J192)	$ 4,965	$ 13	$ 231	$ 4,722	$ 439	$ 1,403	$ 1,561
194	Check with AH								
195									
196	**H. Property Tax**								
197	Property Tax Allocated to Valley	$J$197=$D197*J43	$ -	$ -	$ -	$ -	$ -	$ -	$ -
198	Check with BK								
199									
200	**I. Other Rate Base**								
201									
202	**I.1 Construction Work in Progress**	$I$202=SUM(J202:K202)+L202	$ -			$ -			
203									
204	**I.2 Working Capital**								
205	Valley GROSS PLANT ALLOCATOR	$J$205=J43	100%	0.3%	0.3%	99%	9.6%	30.8%	30.1%
206	Other Materials and Supplies (FERC 156)	$J$206=J$205*$D206	$ 5,721	$ 16	$ 16	$ 5,689	$ 551	$ 1,760	$ 1,725
207	Fuel Stock	$J$207=J$205*$D207	$ 315	$ 0.89	$ 0.89	$ 313	$ 30.34	$ 97	$ 95
208	Nuclear Fuel Stock, Materials, Assemblies	$J$208=J$205*$D208	$ -	$ -	$ -	$ -	$ -	$ -	$ -
209	Prepayments	$J$209=J$205*$D209	$ 1,652	$ 5	$ 5	$ 1,643	$ 159	$ 508	$ 498
210	Cash Working Capital (CWC)		0			0			
211	Reclassified O&M	$J$211=J170	$ 32,535	$ 87	$ 1,090	$ 31,358	$ 2,972	$ 9,497	$ 9,967
212	Clearing Account O&M (if using New Depr. Rates)	$J$212=IF('Control Sheet'!$B$21="New Rates",J176,0)	$ (85)	$ (0)	$ (3)	$ (82)	$ (8)	$ (25)	$ (26)
213	A&G	$J$213=J193	$ 4,965	$ 13	$ 231	$ 4,722	$ 439	$ 1,403	$ 1,561
214	Total Expense for Cash Working Capital	$J$214=SUM(J211:J213)	$ 37,415	$ 100	$ 1,318	$ 35,997	$ 3,404	$ 10,875	$ 11,501
215	Total Cash Working Capital	$J$215=J214/8	$ 4,677	$ 12.49	$ 164.76	$ 4,500	$ 425.47	$ 1,359.42	$ 1,437.67
216									

	B	C	I	J	K	L	M	N	O
1	**Los Angeles Department of Water and Power**								
2	**Valley**								
3	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**								
4	**(in Thousands of Dollars)**								
5									
6	**Legend**	**Error Chec**							
7	Blue = Input costs	Calculated Totals							
8	Green = from another tab	Check Totals							
9	Black = equation	Difference							
10	Allocation Factors	Error Check							
11	Red = Calculation checks								
12	**Bold numbers** = flow through to statement BK								
13	Gray = Subtotals of certain columns								
14									
217	Total Working Capital	$J$217=J215+J209+J208+J207+J206	$ 12,365	$ 34	$ 186	$ 12,144	$ 1,166	$ 3,724	$ 3,756
218	Check from BK								

	B	C	P
1	**Los Angeles Department of Water and Power**		
2	**Valley**		
3	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**		
4	**(in Thousands of Dollars)**		
5			
6	**Legend**	**Error Checl**	
7	Blue = Input costs	Calculated Totals	
8	Green = from another tab	Check Totals	
9	Black = equation	Difference	
10	Allocation Factors	Error Check	
11	Red = Calculation checks		
12	**Bold numbers** = flow through to statement BK		
13	Gray = Subtotals of certain columns		
14			
174	**E. Clearing Account Adjustment**		
175	RECLASSIFIED Valley O&M ALLOCATOR	$J$175=J170/$I$170	27.4%
176	Clearing Account Adj. From AJ New Rates	$J$176=$D176*J175	$ (23)
177	Check with AJ-New Rates		
178			
179			
180			
181	**F.Valley Labor**		
182			Unit 8
183	Valley Labor (excl fuel related)	LADWP GL	
184	VALLEY UNIT O&M ALLOCATOR	$J$156=J155/$I$155	27.4%
185	Allocate Valley Common Labor to Valley Units	$J$185=-$H$185*J184	$ 2,662
186	Valley Labor Before Common Steam Allocation	$J$186=J185+J183	$ 2,662
187	Valley UNIT LABOR ALLOCATOR	$J$187=J186/$I$186	25.9%
188			
189			
190	**G. Valley A&G**		
191	A&G - Excl Prop.Insurance	$J$191=$D191*J187	$ 1,006
192	A&G - Property Insurance	$J$192=$D192*J43	$ 313
193	Total Valley A&G	$J$193=SUM(J191:J192)	$ 1,318
194	Check with AH		
195			
196	**H. Property Tax**		
197	Property Tax Allocated to Valley	$J$197=$D197*J43	$ -
198	Check with BK		
199			
200	**I. Other Rate Base**		
201			
202	**I.1 Construction Work in Progress**	$I$202=SUM(J202:K202)+L202	
203			
204	**I.2 Working Capital**		
205	Valley GROSS PLANT ALLOCATOR	$J$205=J43	28.9%
206	Other Materials and Supplies (FERC 156)	$J$206=J$205*$D206	$ 1,653
207	Fuel Stock	$J$207=J$205*$D207	$ 91.07
208	Nuclear Fuel Stock, Materials, Assemblies	$J$208=J$205*$D208	$ -
209	Prepayments	$J$209=J$205*$D209	$ 477
210	Cash Working Capital (CWC)		
211	Reclassified O&M	$J$211=J170	$ 8,922
212	Clearing Account O&M (if using New Depr. Rates)	$J$212=IF('Control Sheet'!$B$21="New Rates",J176,0)	$ (23)
213	A&G	$J$213=J193	$ 1,318
214	Total Expense for Cash Working Capital	$J$214=SUM(J211:J213)	$ 10,217
215	Total Cash Working Capital	$J$215=J214/8	$ 1,277.12
216			

	B	C	P
1	**Los Angeles Department of Water and Power**		
2	**Valley**		
3	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**		
4	**(in Thousands of Dollars)**		
5			
6	**Legend**	**Error Chec**	
7	Blue = Input costs	Calculated Totals	
8	Green = from another tab	Check Totals	
9	Black = equation	Difference	
10	Allocation Factors	Error Check	
11	Red = Calculation checks		
12	**Bold numbers** = flow through to statement BK		
13	Gray = Subtotals of certain columns		
14			
217	Total Working Capital	$J$217=J215+J209+J208+J207+J206	$ 3,499
218	Check from BK		

	B	C	D	E	F	G	H	I
1	**Los Angeles Department of Water and Power**							
2	**Castaic**							
3	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**							
4	**(in Thousands of Dollars)**							
5								
6	**Legend**	**Error Check**						
7	Blue = Input costs	Calculated Totals	$ 400,368					
8	Green = from another tab	Check Totals	$ 400,368					
9	Black = equation	Difference	$ 0					
10	Allocation Factors	Error Check						
11	Red = Calculation checks							
12	**Bold numbers** = flow through to statement BK							
13	Gray = Subtotals of certain columns							
14								
166	**E. Clearing Account Adjustment**							
167	Clearing Account Adj. From AJ New Rates	$I$167=$D167*I162	$ (124)	$ (124)	$ (108)		$ (124)	$ (41)
168	Check from AJ - New Rates				$ (108)			
169	Check From BK if using new rates				$ (108)			
170								
171								
172								
173	**F.Castaic Labor**							
174								
175	Castaic Labor	LADWP GL		$ 10,981	$ 10,807	$ 9,244	$ 1,736	$ 1,279
176	HYDRO COMMON O&M ALLOCATOR FOR CASTAIC	$I$148=I147/$H$147		100%			100.0%	33.0%
177	Allocate Castaic Common Labor to Castaic Units	$I$177=-$G$177*I176		$ -	$ (1,207)	$ (9,244)	$ 9,244	$ 3,051
178	Castaic Labor Before Common Hydro Allocation	$I$178=I177+I175		$ 10,981	$ 9,600		$ 10,981	$ 4,329
179	CASTAIC UNIT LABOR ALLOCATOR	$I$179=I178/$H$178		100%			100.0%	39.4%
180								
181								
182	**G. Castaic A&G**							
183	A&G - Excl Prop.Insurance	$I$183=$D183*I179	$ 3,578	$ 3,578	$ 3,128		$ 3,578	$ 1,411
184	A&G - Property Insurance	$I$184=$D184*I43	$ 1,438	$ 1,438	$ 1,241		$ 1,438	$ 284
185	Total Castaic A&G	$I$185=SUM(I183:I184)	$ 5,016	$ 5,016	$ 4,369		$ 5,016	$ 1,695
186	Check with BK				$ 4,369			
187								
188	**H. Property Tax**							
189	Property Tax Allocated to Castaic	$I$189=$D189*I43	$ 3,304	$ 3,304	$ 2,850		$ 3,304	$ 653
190	Check with BK				$ 2,850			
191								
192								
193	**I. Other Rate Base**							
194			Costs Allocated					Power Plant
195			to Castaic	Total Castaic	Total Castaic Excl U7(does not provide AS)	Castaic Common	Total Units 1-7	Unit 1
196	**I.1 Construction Work in Progress**		$ -					
197								
198	**I.2 Working Capital**							
199	Castaic GROSS PLANT ALLOCATOR	$I$199=I43		100%			100.0%	19.8%
200	Other Materials and Supplies (FERC 156)	$I$200=I$199*$D200	$ 7,614	$ 7,614	$ 6,568		$ 7,614	$ 1,505
201	Fuel Stock	$I$201=I$199*$D201	$ -	$ -	$ -		$ -	$ -
202	Nuclear Fuel Stock, Materials, Assemblies	$I$202=I$199*$D202	$ -	$ -	$ -		$ -	$ -
203	Prepayments	$I$203=I$199*$D203	$ 1,217	$ 1,217	$ 1,050		$ 1,217	$ 241
204	Cash Working Capital (CWC)							
205	Reclassified O&M	$I$205=I161		$ 52,233	$ 45,415		$ 52,233	$ 17,216
206	Clearing Account O&M (if using New Depr. Rates)	$I$206=IF('Control Sheet'!$B$21="New Rates",I167,0)		$ (124)	$ (108)		$ (124)	$ (41)
207	A&G	$I$207=I185		$ 5,016	$ 4,369		$ 5,016	$ 1,695
208	Total Expense for Cash Working Capital	$I$208=SUM(I205:I207)		$ 57,126	$ 49,676	$ -	$ 57,126	$ 18,870
209	Total Cash Working Capital	$I$209=I208/8		$ 7,141	$ 6,209		$ 7,141	$ 2,358.76
210								
211	Total Working Capital	$I$211=I209+I200+I201+I202+I203		$ 15,972	$ 13,828	$ -	$ 15,972	$ 4,104
212	Check with BK				$ 13,828			

	B	C	J	K	L	M	N	O
1	**Los Angeles Department of Water and Power**							
2	**Castaic**							
3	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**							
4	**(in Thousands of Dollars)**							
5								
6	**Legend**	**Error Chec**						
7	Blue = Input costs	Calculated Totals						
8	Green = from another tab	Check Totals						
9	Black = equation	Difference						
10	Allocation Factors	Error Check						
11	Red = Calculation checks							
12	**Bold numbers** = flow through to statement BK							
13	Gray = Subtotals of certain columns							
14								
166	**E. Clearing Account Adjustment**							
167	Clearing Account Adj. From AJ New Rates	$I$167=$D167*I162	$ (20)	$ (9)	$ (12)	$ (10)	$ (16)	$ (16)
168	Check from AJ - New Rates							
169	Check From BK if using new rates							
170								
171								
172								
173	**F.Castaic Labor**							
174								
175	Castaic Labor	LADWP GL	$ 48	$ 49			$ 186	$ 174
176	HYDRO COMMON O&M ALLOCATOR FOR CASTAIC	$I$148=I147/$H$147	16.0%	7.1%	9.9%	8.2%	12.8%	13.1%
177	Allocate Castaic Common Labor to Castaic Units	$I$177=-$G$177*I176	$ 1,477	$ 655	$ 913	$ 761	$ 1,182	$ 1,207
178	Castaic Labor Before Common Hydro Allocation	$I$178=I177+I175	$ 1,525	$ 704	$ 913	$ 761	$ 1,368	$ 1,381
179	CASTAIC UNIT LABOR ALLOCATOR	$I$179=I178/$H$178	13.9%	6.4%	8.3%	6.9%	12.5%	12.6%
180								
181								
182	**G. Castaic A&G**							
183	A&G - Excl Prop.Insurance	$I$183=$D183*I179	$ 497	$ 229	$ 298	$ 248	$ 446	$ 450
184	A&G - Property Insurance	$I$184=$D184*I43	$ 285	$ 125	$ 178	$ 148	$ 220	$ 197
185	Total Castaic A&G	$I$185=SUM(I183:I184)	$ 782	$ 354	$ 476	$ 396	$ 666	$ 647
186	Check with BK							
187								
188	**H. Property Tax**							
189	Property Tax Allocated to Castaic	$I$189=$D189*I43	$ 655	$ 287	$ 409	$ 341	$ 505	$ 454
190	Check with BK							
191								
192								
193	**I. Other Rate Base**							
194			Power Plant	Power Plant	Power Plant	Power Plant	Power Plant	Power Plant
195			Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7
196	**I.1 Construction Work in Progress**							
197								
198	**I.2 Working Capital**							
199	Castaic GROSS PLANT ALLOCATOR	$I$199=I43	19.8%	8.7%	12.4%	10.3%	15.3%	13.7%
200	Other Materials and Supplies (FERC 156)	$I$200=I$199*$D200	$ 1,510	$ 661	$ 943	$ 785	$ 1,165	$ 1,046
201	Fuel Stock	$I$201=I$199*$D201	$ -	$ -	$ -	$ -	$ -	$ -
202	Nuclear Fuel Stock, Materials, Assemblies	$I$202=I$199*$D202	$ -	$ -	$ -	$ -	$ -	$ -
203	Prepayments	$I$203=I$199*$D203	$ 241	$ 106	$ 151	$ 126	$ 186	$ 167
204	Cash Working Capital (CWC)							
205	Reclassified O&M	$I$205=I161	$ 8,348	$ 3,702	$ 5,161	$ 4,300	$ 6,688	$ 6,819
206	Clearing Account O&M (if using New Depr. Rates)	$I$206=IF('Control Sheet'!$B$21="New Rates",I167,0)	$ (20)	$ (9)	$ (12)	$ (10)	$ (16)	$ (16)
207	A&G	$I$207=I185	$ 782	$ 354	$ 476	$ 396	$ 666	$ 647
208	Total Expense for Cash Working Capital	$I$208=SUM(I205:I207)	$ 9,110	$ 4,047	$ 5,625	$ 4,686	$ 7,338	$ 7,450
209	Total Cash Working Capital	$I$209=I208/8	$ 1,138.79	$ 505.87	$ 703.08	$ 585.76	$ 917.23	$ 931.21
210								
211	Total Working Capital	$I$211=I209+I200+I201+I202+I203	$ 2,890	$ 1,272	$ 1,796	$ 1,497	$ 2,268	$ 2,144
212	Check with BK							

Los Angeles Department of Water and Power
San Francisquito 2
Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)
(in Thousands of Dollars)

Legend
Blue = Input costs
Green = from another tab
Black = equation
Allocation Factors
Red = Calculation checks
Bold numbers = flow through to statement BK
Gray = Subtotals of certain columns

Error Check	
Calculated Totals	$ -
Check Totals	$ -
Difference	$ -
Error Check	

A. San Francisquito 2 Allocator

Unit costs are not borken out in the general ledger for San Francisquito 2. As such, costs are allocated to each unit based on nameplate capacity. This breakdown of costs by units is neccesary in order to know the Unit 1 costs to remove from cost of service. Unit 1 is not in service.

Item	Source	From Other Tabs	Total	Unit 1	Unit 2	Unit 3
San Francisquito 2 Nameplate Capacity (MW)	LADWP		46.0	14.0	14.0	18.0
San Francisquito 2 Unit Allocator	$F$22=F21/$E$21		100.0%	30.4%	30.4%	39.1%

	B	C	D	E	F	G	H	I
51								
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66								
67								
68								

	C	D	E	F	G	H	I	J	K
1	**Los Angeles Department of Water and Power**								
2	**Statement**								
3	**7 Factor Test Summary**								
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**								
5	**(in Thousands of Dollars)**								
6	**Legend**	**Error Check**							
7	Blue = Input costs	Calculated Totals	$ (1,234)						
8	Green = from another tab	Check Totals	$ (1,234)						
9	Black = equation	Difference	$ -						
10	Allocation Factors	Error Check							
11	Red = Calculation checks								
12	**Bold numbers** = flow through to statement BK								
13	Gray = Subtotals of certain columns								
14									
166	**E. 7 Factor Reclassifications for Property Taxes**								
167	Note: Only the 230kV OH plant is subject to property taxes. 230kV UG and the Olive Station switching station are not subject to property taxes.								
168									
169	E.1 Transmission Plant Subject to Property Taxes								
170									
171	Item	Reference	Amount						
172	Total Adjusted GL Transmission Plant - 13 Mo Avg	$E$172=AD!E269	$ 2,073,195						
173									
174	GL Transmission Subject to Property Tax - Yr End	LADWP Power Plant/workpaper	$ 1,548,480						
175	GL Transmission Not Subject to Property Tax - Yr End	LADWP Power Plant/workpaper	$ 678,115						
176	Total Transmission Plant - Yr End	$E$176=SUM(E174:E175)	$ 2,226,594						
177	% of Transmission Plant Subject to Property Tax		69.54%						
178									
179	Total Est. GL Transmission Plant Subject to Property Tax - 13 Mo Avg	$E$179=E172*E177	$ 1,441,799						
180									
181	E.2 230kV OH Exclusions								
182	Total GL Trans. Plant Subject to Property Tax - 13 Mo Avg	$E$182=E179	$ 1,441,799						
183	Total 230kV OH Excluded Plant - 13 Mo Avg	$E$183=G63	$ 37,500						
184	% of Total Trans. Property Tax Applicable to 230kV OH	$E$184=E183/E182	2.60%						
185									
186	Total Transmission Property Tax	$E$186=AK!AF79	$ 3,101						
187	Total Property Tax Applicable to 230kV OH	$E$187=E186*E184	$ 81						
188									
189	E.3 Reclassify 230 kV OH Property Tax to Production and Transmission								
190									
191	Trans. Reclassified to Production Station		Miles	% of Miles	Property Tax Reclassification				
192	PINETREE BARREN-RIDGE LINE (Wind + Solar)	$G$192=F192*$E$187	8.29	19.96%	$ 16				
193	UPPER GORGE-MIDDLE GORGE	$G$193=F193*$E$187	2.72	6.55%	$ 5				
194	MIDDLE GORGE-CONTROL GORGE	$G$194=F194*$E$187	5.00	12.05%	$ 10				
195	CONTROL GORGE-INYO LINE - To Production	$G$195=F195*$E$187	4.75	11.44%	$ 9				
196	Total Production	$G$196=SUM(G192:G195)	20.76	50.01%	$ 40				
197									
198	Trans. Reclassified to Distribution								
199	LAGUNA BELL-VELASCO LINE 1	$G$199=F199*$E$187	16.00	38.55%	$ 31				
200	CONTROL GORGE-INYO LINE - To Distribution	$G$200=F200*$E$187	4.75	11.44%	$ 9				
201	Total Distribution	$G$201=SUM(G199:G200)	20.75	49.99%	$ 40				
202									
203	Total 230kV OH	$G$203=G201+G196	41.51	100.00%	$ 81				
204									
205	**F. 7 Factor Reclassification Summary**								
206	Item	Reference	Gross Plant (13 Mo Avg)	Accumulated Depreciation (13 Mo Avg)	O&M Expense	Depreciation Expense FY 2019-20	Depreciation Expense New Rates	Labor	Property Tax
207	Total Excluded Transmission Costs	$E$207=G66-E113	$ 231,899	$ (48,792)	$ 10,179	$ 3,653	$ 4,104	$ 4,472	$ 81
208	Total Transmission Costs	$E$208=AD!$E$269	$ 2,073,195	$ (617,528)	$ 154,321	$ 38,758	$ 34,136	$ 67,794	$ 3,101
209	Percentage of Transmission Costs Reclassified to P and D	$E$209=E207/E208	11.2%	7.9%	6.6%	9.4%	12.0%	6.6%	2.6%

	B	C	D	E	F	G	H	I	J	K
1	**Los Angeles Department of Water and Power**									
2	**Statement**									
3	**Unit Data**									
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**									
5	**(in Thousands of Dollars)**									
6	**Legend**									
7	Blue = Input costs									
8	Green = from another tab									
9	Black = equation									
10	Brown= Input source									
11	Allocation Factors									
12	Red = Calculation checks									
13	**Bold numbers** = flow through to statement BK									
14	Gray = Subtotals of certain columns									
15										
16										
90	**Development of Reactive Power Annual Revenue Requirement**									
91										
92	**Allocation Factors**	Reference	**%**	Source/Notes						
93	Turb/Gen/Ex No Cooling Tower	AEP	80%	AEP Reactive power FERC filing - ER93-540-000						
94	Turb/Gen/Ex w Cooling Tower	AEP	60%	AEP Reactive power FERC filing - ER93-540-000						
95	Gen/ExciterAllocation CT	MHI	14.00%	Covert Generating Facility FERC Reactive Power Filing - ER06-1058-000						
96	Gen/ExciterAllocation ST	MHI	32.00%	Covert Generating Facility FERC Reactive Power Filing - ER06-1058-000						
97	Gen/ExciterAllocation Hydro	Estimate	35.00%							
98	AllocationAccessoryElectric	AEP	10.00%	AEP Reactive power FERC filing - ER93-540-000						
99	AllocationTotal Plant	AEP	0.15%	AEP Reactive power FERC filing - ER93-540-000						
100										
101	**Harbor Station**		MW	%						
102	Harbor Total Net Dependable Plant Capacity	$D$102=W46	422	Table 1 - Net Dependable Plant Capacity	Net Dependable Plant Capacity ratings are station or plant based due to certain environmental/limitations that limit total output.					
103										
104	Harbor Nameplate Rating									
105	Harbor CT	$D$105=V46+V47+V49+V50+V51+V52+V53	473	86%	% of nameplate	Used percentage of nameplate to allocate proportion of summer rating for station				
106	Harbor Steam	$D$106=V48	75	14%	% of nameplate	Used percentage of nameplate to allocate proportion of summer rating for station				
107										
108	Harbor CT Net Dependable Plant Capacity MW	$D$108=D102*E105	364	Allocation of Generating Station Net Dependable Plant Capacity based on unit nameplate rating						
109	Harbor Steam Net Dependable Plant Capacity MW	$D$109=E106*D102	58	Allocation of Generating Station Net Dependable Plant Capacity based on unit nameplate rating						
110										
111	**Valley Station**									
112	Valley Total Net Dependable Plant Capacity	$D$112=W54+W55+W56+W57	530	Table 1 -Net Dependable Plant Capacity						
113	Valley CT Net Dependable Plant Capacity MW	$D$113=W54+W55+W56	327	Table 1 -Net Dependable Plant Capacity						
114	Valley Steam Net Dependable Plant Capacity MW	$D$114=W57	203	Table 1 -Net Dependable Plant Capacity						
115										
116	**Scattergood Station -Table 1 Ratings**									
117	Scattergood Total Net Dependable Plant Capacity	$D$117=W58	759	Table 1 -Net Dependable Plant Capacity						
118	Scattergood CT Net Dependable Plant Capacity MW		185	Table 1 -Net Dependable Plant Capacity	Allocation of Generating Station Net Dependable Plant Capacity based on unit nameplate rating					
119	Scattergood Net Dependable Plant Capacity Steam MW (Cooling Towers)	$D$119=((V60+V61)/(SUM(V58:V63)))*W58	291	Table 1 -Net Dependable Plant Capacity	Allocation of Generating Station Net Dependable Plant Capacity based on unit nameplate rating					
120	Scattergood Net Dependable Plant Capacity Steam MW (Once thru Cooling)	$D$120=((V58+V59)/(SUM(V58:V63)))*W58	283	Table 1 -Net Dependable Plant Capacity	Allocation of Generating Station Net Dependable Plant Capacity based on unit nameplate rating					
121										
122	**Haynes Station -Table 1 Ratings**									
123	Haynes Total Net Dependable Plant Capacity Steam MW	$D$123=W64	1551	Table 1 -Net Dependable Plant Capacity						
124										
125	Haynes Name Plate Rating									
126	Haynes CT Net Dependable Plant Capacity Steam MW	$D$126=V67+V68+V69+V70+V71+V72+V73+V74	1,015	58.38%	% of nameplate	Allocation of Generating Station Net Dependable Plant Capacity based on unit nameplate rating				
127	Haynes Steam Net Dependable Plant Capacity Steam MW (Cooling Towers)	LADWP	0	0.00%	% of nameplate	Allocation of Generating Station Net Dependable Plant Capacity based on unit nameplate rating				
128	Haynes Steam Net Dependable Plant Capacity Steam MW (Once thru Cooling)	$D$128=+V64+V65+V66	723	41.62%	% of nameplate	Allocation of Generating Station Net Dependable Plant Capacity based on unit nameplate rating				
129	Haynes Total Name Plate Rating	$D$129=+D126+D127+D128	1,738	100.00%						
130										
131	Haynes CT Net Dependable Plant Capacity MW	$D$131=E126*$D$123	905	Allocation of Generating Station Net Dependable Plant Capacity based on unit nameplate rating						
132	Haynes Steam Net Dependable Plant Capacity MW (Cooling Towers)	$D$132=E127*$D$123	0	Allocation of Generating Station Net Dependable Plant Capacity based on unit nameplate rating						
133	Haynes Steam Net Dependable Plant Capacity MW (Once thru Cooling)	$D$133=E128*$D$123	646	Allocation of Generating Station Net Dependable Plant Capacity based on unit nameplate rating						
134	Haynes Total Net Dependable Plant Capacity	$D$134=SUM(D131:D133)	1,551							
135										
136	**Total S2 Thermal**									
137	Total Net Dependable Plant Capacity Thermal	$D$137=W75	3,262	Table 1 -Net Dependable Plant Capacity						
138	Total Net Dependable Plant Capacity CT Thermal	$D$138=D108+D113+D118+D131	1,782	Summation of allocated Net Dependable Plant Capacity by technology type.						

	B	C	D	E	F	G	H	I	J	K
1	**Los Angeles Department of Water and Power**									
2	**Statement**									
3	**Unit Data**									
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**									
5	**(in Thousands of Dollars)**									
6	**Legend**									
7	Blue = Input costs									
8	Green = from another tab									
9	Black = equation									
10	Brown= Input source									
11	Allocation Factors									
12	Red = Calculation checks									
13	**Bold numbers** = flow through to statement BK									
14	Gray = Subtotals of certain columns									
15										
16										
139	Total Net Dependable Plant Capacity Steam Thermal -Cooling Towers	$D$139=+D114+D132+((V60+V61)/(SUM(V58:V63))*W58)	494	Summation of allocated Net Dependable Plant Capacity by technology type.						
140	Total Net Dependable Plant Capacity Steam Thermal -Once through Cooling	$D$140=+D120+D133+D109	986	Summation of allocated Net Dependable Plant Capacity by technology type.						
141	Total Summer thermal	$D$141=SUM(D138:D140)	3,262							
142										
143										
144	**Wtd CT Thermal**	$D$144=+D138/$D$141	**54.63%**	Weighting of Net Dependable Plant Capacity ratings by technology type.						
145	**Wtd Steam Thermal - Cooling Towers**	$D$145=+D139/$D$141	**15.14%**	Weighting of Net Dependable Plant Capacity ratings by technology type.						
146	**Wtd Steam Thermal - Once thru Cooling**	$D$146=+D140/$D$141	**30.23%**	Weighting of Net Dependable Plant Capacity ratings by technology type.						
147	**Total Steam Thermal**	$D$147=SUM(D144:D146)	**100.00%**							
148	**Development of Reactive Power Annual Revenue Requirement**									
149										
150	**Genertor/Exciter % Allocator of TG Account**									
151	CT Portion of TG Account	$D$151=D93*D95*D144	6.12%							
152	Steam Portion (cooling Towers) of TG Account	$D$152=D94*D96*D145	2.91%							
153	Steam Portion (once thru cooling) of TG Account	$D$153=+D146*D96*D93	7.74%							
154	**Total Percent of Thermal TG Account**	$D$154=D151+D153+D152	**16.76%**							
155										
156	Percent TG for Thermal	$D$156=D154	16.76%							
157	Percent TG for Hydro	$D$157=D93*D97	28.00%							
158	Percent TG for External	$D$158=D94*D96	19.20%							
159										
160	**Net Dependable Plant Capacity Ratings by Technology Type**									
161	Total Net Dependable Plant Capacity S2 Generation	$D$161=W83	5,747							
162	Total S2 Thermal	$D$162=+D141	3,262	Summation of allocated Net Dependable Plant Capacity by technology type.						
163	Total S2 Hydro	$D$163=W35+W44	1,283	Summation of allocated Net Dependable Plant Capacity by technology type.						
164	Total S2 External	$D$164=W81	1,202	Summation of allocated Net Dependable Plant Capacity by technology type.						
165	Total Net Dependable Plant Capacity S2 Generation	$D$165=SUM(D162:D164)	5,747							
166										
167										
168	**Generator/Exciter Investment - FERC 314, 323, 333, 344**			($) or (%)						
169	Total S2 for TG Account Thermal	$D$169=D154*O75	$504,055	$87,900		Allocated Generator/Exciter Gross Plant Investment.				
170	Total S2 for TG Account Hydro	$D$170=D157*O44	$69,280	$12,082		Allocated Generator/Exciter Gross Plant Investment.				
171	Total S2 for TG Account External	$D$171=D158*O81	$58,979	$10,285		Allocated Generator/Exciter Gross Plant Investment.				
172	Total S2 Account TG All S2 Units	$D$172=SUM(D169:D171)	$632,315	$110,267	3.10%	Percent Generator/Exciter investment to total investment in FERC 314, 323, 333, 344				
173										
174	**Accessory Electric Equipment Investment FERC 315, 324, 334, 345**									
175	Total S2 for Accessory Elec Thermal	$D$175=D98*(R75-P75)	$9,581	Allocated Accessory Electric Equipment Gross Plant Investment (reduced by FERC 315, 334, and 345 for GSU Costs).						
176	Total S2 for Accessory Elec Hydro	$D$176=D98*(R44-P44)	$27,029	Allocated Accessory Electric Equipment Gross Plant Investment (reduced by FERC 315, 334, and 345 for GSU Costs).						
177	Total S2 for Accessory Elect External	$D$177=D98*(R81-P81)	$11,562	Allocated Accessory Electric Equipment Gross Plant Investment (reduced by FERC 315, 334, and 345 for GSU Costs).						
178	Total S2 Accessory Elect All Units	$D$178=SUM(D175:D177)	$48,172							
179										
180	Total S2 Reactive Power Investment TG and Accessory Electrical	$D$180=+D178+D172	$680,486							
181										
182	**VAR Allocator**	$D$182='Fixed Charge Rate & VAR Alloc.'!C104	**17.44%**	See VAR allocation factor calculation tab.						
183										
184	**Total Amount to be recovered TG, Accessory Electrical and Generator Step-up Transfomers**	$D$184=(+D180*D182)+(D182*P83)	$121,819	Includes GSU Costs recorded in FERC 315, 334, and 345.						
185										
186	**Balance of Plant Investment**									
187	Total S2 BOP Investment Thermal	$D$187=(S75-D169-D175-Q75)*D99	$4,686	Allocated Balance of Plant Gross Plant Investment (reduced by "312 - Boiler plant equipment/ should be 315 - Accessory electric equipment"						
188	Total S2 BOP Investment Hydro	$D$188=(S44-D170-D176-Q44)*D99	$1,247	Allocated Balance of Plant Gross Plant Investment (reduced by "312 - Boiler plant equipment/ should be 315 - Accessory electric equipment"						
189	Total S2 BOP Investment External	$D$189=(S81-D171-D177-Q81)*D99	$2,778	Allocated Balance of Plant Gross Plant Investment (reduced by "312 - Boiler plant equipment/ should be 315 - Accessory electric equipment"						
190	Total S2 BOP Investment All S2 Units	$D$190=SUM(D187:D189)	$8,711							
191										
192	**Total Amount to be Recovered**	$D$192=(+D184+D190)+(D182*Q83)	$130,941	Includes GSU Costs recorded in FERC 312.						
193										
194	**Fixed Charge Rate**	$D$194='Fixed Charge Rate & VAR Alloc.'!D57	**9.82%**	See fixed charge rate calculation tab.						
195										
196										
197	Annual S2 Amount to be Recovered	$D$197=D192*D194	$12,859	Total Reactive Power Annual Revenue Requirement						

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3	**Fixed Charge Rate & VAR Alloc**							
4	**Test Period: FY2019-20 (July 1, 2019 through June 30, 2020)**							
5	**(in Thousands of Dollars)**							
6								
7	**Legend**							
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15								
17	**Adjusted Fixed Charge Rate**							
18								
19	Item	Reference	FY19/20	IPP	Steam	Hydro		
20	Gross Plant in Service	$D$20='BK'!G229	$ 5,092,545					
21	Accumulated Depreciation	$D$21='BK'!G230	$ (2,149,030)					
22	Net Plant in Service	$D$22=+D20+D21	$ 2,943,515					
23								
24	CWIP	$D$24='BK'!G233	$ 8,789					
25	Working Capital							
26	M&S	$D$26='BK'!G235	$ 51,274					
27	Fuel Stock	$D$27='BK'!G236	$ 2,301					
28	Nuclear Fuel Stock	$D$28='BK'!G237	$ -					
29	Prepayments	$D$29='BK'!G238	$ 16,610					
30	CWC	$D$30='BK'!G239	$ 36,501					
31	Subtotal Rate Base	$D$31=SUM(D22:D30)	$ 3,058,990					
32	Rate of Return	$D$32='BK'!G242	5.35%					
33	Return on Rate Base	$D$33=+D31*D32	$ 163,616					
34								
35	Debt Service and Renewalls and Replacements	$E$35=AH!H55+AH!H58		$ 148,477				
36								
37	Total O&M (excluding Fuel)	$E$37=AH!H56+AH!H57	$ 484,372	$ 45,939				
38	Total A&G	$E$38=AH!H59+AH!H62+AH!H63	$ 38,470	$ 28,419				
39	Total Depreciation	$D$39='BK'!G247	$ 157,277					
40	Taxes other than Income Taxes	$E$40=AH!H60+AH!H61	$ 4,199	$ 7,996				
41	Total Expenses	$D$41=SUM(D37:D40)	$ 684,318	$ 82,355				
42								
43	Gross Revenue Requirement	$E$43=E41+E35	$ 847,935	$ 230,832				
44								
45	Gross Production Plant Investment For Schedule 2 (Non IPP,Excl allocated General,Intangible, ECC)							
46	Steam and Other Production (gas)	$D$46=SUMIF('BK'!$H$54:$AO$54,"Yes",'BK'!H71:AO71)	$ 3,639,993					
47	Hydro	$D$47=SUMIF('BK'!$H$54:$AO$54,"Yes",'BK'!H72:AO72)	$ 927,503					
48	Nuclear	$D$48=SUMIF('BK'!$H$54:$AO$54,"Yes",'BK'!H73:AO73)	$ -					
49	Other Production (Renewable)	$D$49=SUMIF('BK'!$H$54:$AO$54,"Yes",'BK'!H74:AO74)	$ -					
50	Gross Production Plant Investment (Non IPP)	$D$50=SUM(D46:D49)	$ 4,567,496					
51	Gross Plant Investment (IPP)	LADWP IPP GL - 13 Mo Avg	$ 1,922,427					
52	Total Gross Plant in Service	$D$52=D50+D51	$ 6,489,922					
53								
54	Fixed Charge Rate - Unadjusted	$D$54=+D43/D52	13.07%					
55	Adjustment for non-electric expenses	$D$55=+I68-D73	-3.22%					
56	Adjustment to CWC	$D$56=+D55/8*D32	-0.02%					
57	Adjusted FCR	$D$57=+D54+D55+D56	9.82%					
58								
59	**Analysis of Electric O&M**						**Reactive Electric Related O&M**	
60	Item	Reference	Total	IPP	Steam	Hydro	($000)	%
61	Electric Expenses (505, 548)	Workpaper	$ 9,111		$ 9,111			
62	Electric Expenses (538)	Workpaper	$ 4,600			$ 4,600		
63	Subtotal	$G$63=SUM(G61:G62)	$ 13,711	$ -	$ 9,111	$ 4,600		
64								
65	Maintenance of Electric Plant (513, 553)	Workpaper	$ 18,807		$ 18,807			
66	Maintenance of Electric Plant (544)	Workpaper	$ 15,608			$ 15,608		
67	Subtotal	$F$67=SUM(F65:F66)	$ 34,415	$ -	$ 18,807	$ 15,608		
68	Total Electric Expenses	$H$68=+D68*'Unit Data'!F172	$ 54,725	$ 6,599	$ 27,918	$ 20,208	$ 1,694	1.39%
69								
70	Total Steam O&M (Schedule 2)	$F$70=SUM('BK'!X245:AC245)	$ 230,479	$ 45,939	$ 184,540			
71	Total Hydro O&M (Schedule 2)	$G$71=SUM('BK'!H245:V245)	$ 69,000			$ 69,000		
72	Total O&M	$D$72=+D70+D71	$ 299,480					
73	O&M portion of FCR	$D$73=+D72/D52	4.61%					
74								
75								

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5	**(in Thousands of Dollars)**							
6								
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15								
76								
77	**Notes**							
78								
79		**VAR Production Allocator**						
80								
81		**VAR**	**Net Dependable Plant**		**VAR**			
82		**Rating**	**Capacity**		**Production**			
83		**MVAR[1]**	**MW[2]**	**MVA[3]**	**Allocator[4]**			
84	**(a)**	**(b)**	**(c)**	**(d)**	**(e)**			
85	*Hydro*							
86	Upper, Middle & Control Gorge P. P.	5.2	40.3	40.6	1.64%			
87	SFPP1 & SFPP2	46.7	19.9	50.8	84.60%			
88		51.9	60.2	79.5	42.62%			
89								
90	*Pump Storage (Hydro)*							
91	Castaic Power Plant (Excl Castaic U7)	583.6	1,222.9	1,355.0	18.55%			
92								
93	*Basin Thermal*							
94	Harbor Generating Station	149.0	422.0	447.5	11.08%			
95	Valley Generating Station	159.0	530.0	553.3	8.26%			
96	Scattergood Generating Station	391.1	759.0	853.8	20.98%			
97	Haynes Generating Station	735.5	1,551.0	1,716.6	18.36%			
98	Subtotal	1,434.6	3,262.0	3,563.5	16.21%			
99								
100	*External Thermal*							
101	Intermountain Generating Station	571.2	1,202.0	1,330.8	18.42%			
102								
103	Total	2,641.3	5,747.11	6,325.0	17.44%			
104	VAR Production Allocator	17.44%						
105								
106	**Footnotes:**							
107	[1] Column (b) : DWP Reactive Capability FY 2019-20 - Attachment-13 12152021.xls							
108	[2] Column (c) : See Table 1 Net Dependable Plant Capacity							
109	[3] Column (d) equals (column (b)^2 + column (c)^2)^0.5.							
110	[4] Column (e) equals (Col. b)^2 ÷ (Col. d)^2.							

Los Angeles Department of Water and Power
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Error Check	
Calculated Totals	$ 16,378,356
Check Totals	$ 16,378,356
Difference	$ -
Error Check	

Plant Investment [1]

Thermal

Description	Reference	FERC Acc.	Harbor	Haynes	Valley	Scattergood	Total	
FERC 314								
Plant Bal. (Excl. Scattergood U4-7 which is moved to Other Prod FERC Accounts.)	LADWP GL/GH Workpaper	314	$ 4,542	$ 158,202	$ 131,071	$ 50,864	$ 344,680	
Remove Units that do not provide AS (Haynes U7)	LADWP GL/GH Workpaper	314		$ (3)			$ (3)	
Remove Retired plant	LADWP GL/GH Workpaper	314		$ (1,975)		$ (1,913)	$ (3,888)	
Gross Plant Net of Unit Removals	$E$25=SUM(E22:E24)		$ 4,542	$ 156,223	$ 131,071	$ 48,952	$ 340,788	
FERC 344								
Plant Bal. (Incl. Scattergood U4-7 which was booked in Steam FERC accts)	LADWP GL/GH Workpaper	344	$ 348,705	$ 1,038,389	$ 324,949	$ 953,900	$ 2,665,944	
Remove Units that do not provide AS (Haynes U7)	LADWP GL/GH Workpaper	344					$ -	
Remove Retired plant	LADWP GL/GH Workpaper	344	$ (4)	$ -			$ (4)	
Gross Plant Net of Unit Removals	$E$31=SUM(E28:E30)		$ 348,702	$ 1,038,389	$ 324,949	$ 953,900	$ 2,665,940	
FERC 314 & 344								
Plant Bal.	$E$34=+E22+E28	314 & 344	$ 353,247	$ 1,196,591	$ 456,020	$ 1,004,765	$ 3,010,623	
Remove Units that do not provide AS (Haynes U7)	$E$35=+E23+E29	315 & 344	$ -	$ (3)	$ -	$ -	$ (3)	
Remove Retired plant	$E$36=+E24+E30	314 & 344	$ (4)	$ (1,975)	$ -	$ (1,913)	$ (3,892)	
Gross Plant Net of Unit Removals	$E$37=SUM(E34:E36)		$ 353,244	$ 1,194,613	$ 456,020	$ 1,002,852	$ 3,006,728	(Used for Reactive Pc
FERC 315								
Plant Bal. (Excl. Scattergood U4-7 which is moved to Other Prod. FERC accounts)	LADWP GL/GH Workpaper	315	$ 5,033	$ 27,941	$ 15,924	$ 33,709	$ 82,608	
Remove Units that do not provide AS (Haynes U7)	LADWP GL/GH Workpaper	315		$ (1,889)			$ (1,889)	
Remove Retired plant	LADWP GL/GH Workpaper	315		$ (10,579)		$ (3,643)	$ (14,223)	
Gross Plant Net of Unit Removals	$E$43=SUM(E40:E42)		$ 5,033	$ 15,473	$ 15,924	$ 30,066	$ 66,497	
FERC 345								
Plant Bal. (Incl. Scattergood U4-7 which was booked in Steam FERC accts)	LADWP GL/GH Workpaper	345	$ 22,994	$ 2,221	$ 4,056	$ 3,712	$ 32,983	
Remove Units that do not provide AS (Haynes U7)	LADWP GL/GH Workpaper	345					$ -	
Remove Retired plant	LADWP GL/GH Workpaper	345					$ -	
Gross Plant Net of Unit Removals	$E$49=SUM(E46:E48)		$ 22,994	$ 2,221	$ 4,056	$ 3,712	$ 32,983	
FERC 315 & 345								
Plant Bal.	$E$52=+E40+E46	315 & 345	$ 28,028	$ 30,162	$ 19,980	$ 37,422	$ 115,591	
Remove Units that do not provide AS (Haynes U7)	$F$53=+F41+F47	315 & 345	$ -	$ (1,889)	$ -	$ -	$ (1,889)	
Remove Retired plant	$E$54=+E42+E48	315 & 345	$ -	$ (10,579)	$ -	$ (3,643)	$ (14,223)	
Gross Plant Net of Unit Removals	$E$55=SUM(E52:E54)		$ 28,028	$ 17,694	$ 19,980	$ 33,778	$ 99,480	(Used for Reactive Pc
FERC 314,315,344,345								
Plant Bal.	$E$58=E34+E52	314, 315, 344 & 345	$ 381,275	$ 1,226,754	$ 476,000	$ 1,042,186	$ 3,126,215	
Remove Units that do not provide AS (Haynes U7)	$F$59=F35+F53	314, 315, 344 & 345	$ -	$ (1,892)	$ -	$ -	$ (1,892)	
Remove Retired plant	$E$60=E36+E54	314, 315, 344 & 345	$ (4)	$ (12,555)	$ -	$ (5,556)	$ (18,114)	
Gross Plant Net of Unit Removals	$E$61=SUM(E58:E60)	314, 315, 344 & 345	$ 381,271	$ 1,212,307	$ 476,000	$ 1,036,630	$ 3,106,208	
Other LA Basin FERC Accounts								
Plant Bal.	LADWP GL/GH Workpaper	All Other FERC Acc.	$ 177,873	$ 185,534	$ 19,970	$ 144,203	$ 527,579	
Remove Units that do not provide AS (Haynes U7)	LADWP GL/GH Workpaper	All Other FERC Acc.		$ (93)			$ (93)	
Remove Retired plant	LADWP GL/GH Workpaper	All Other FERC Acc.	$ (186)	$ (2,847)	$ (2,803)	$ (6,176)	$ (12,012)	
Gross Plant Net of Unit Removals	$E$67=SUM(E64:E66)	All Other FERC Acc.	$ 177,686	$ 182,594	$ 17,167	$ 138,027	$ 515,474	
Total Gross Plant (Before RS and Common Steam)								
Total Gross Plant	$E$70=E64+E58	All FERC Acc.	$ 559,148	$ 1,412,288	$ 495,970	$ 1,186,389	$ 3,653,794	
Remove Units that do not provide AS (Haynes U7)	$E$71=E65+E59	All FERC Acc.	$ -	$ (1,985)	$ -	$ -	$ (1,985)	
Remove Retired plant	$E$72=E66+E60	All FERC Acc.	$ (190)	$ (15,401)	$ (2,803)	$ (11,732)	$ (30,127)	
Gross Plant Net of Retirements	$E$73=SUM(E70:E72)	All FERC Acc.	$ 558,958	$ 1,394,901	$ 493,166	$ 1,174,657	$ 3,621,682	
Check with GL with common allocations and adj. for units that do not provide AS			$ 558,958	$ 1,394,901	$ 493,166	$ 1,174,657	$ 3,621,682	
LA Basin Common Steam and RS Reclassifications								
Common Steam Allocated to LA Basin	$E$77=AD!H92		$ 1,390	$ 3,512	$ 1,233	$ 2,950	$ 9,086	
Receiving Stations Reclassified to Steam	$E$78=AD!H98		$ 1,437	$ 3,628	$ 1,274	$ 3,048	$ 9,387	
RS and Common Steam Allocated to Unit Removals	$E$79=-(Harbor!M44+Harbor!N44+Harb		$ (1)	$ (88)	$ (14)	$ (59)	$ (162)	
Total Reclassified Steam (Before ECC, Int. and Gen. Plant)	$E$81=E73+(SUM(E77:E79))	Total	$ 561,783	$ 1,401,953	$ 495,660	$ 1,180,596	$ 3,639,993	(Used for Reactive Pc
Check from AD			$ 561,783	$ 1,401,953	$ 495,660	$ 1,180,596	$ 3,639,993	

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Error Check	
Calculated Totals	$ 16,378,356
Check Totals	$ 16,378,356
Difference	$ -
Error Check	

Hydro

Description	Reference	FERC Acc.	San Francisquito	Upper Gorge	Middle Gorge	Control Gorge	Castaic	Total
Plant Bal.	LADWP GL	333	$ 26,292	$ 21,200	$ 22,516	$ 28,412	$ 204,395	$ 302,815
Remove Castaic Unit 7 (does not provide AS)	LADWP GL	333					$ (55,386)	$ (55,386)
Remove SF 2 Unit 1 - Out of Service (estimate)	Estimate based on proration	333	$ -					$ -
Gross Plant Net of Unit Removals	$E$92=SUM(E89:E91)	333	$ 26,292	$ 21,200	$ 22,516	$ 28,412	$ 149,008	$ 247,429
Plant Bal.	LADWP GL	334	$ 11,295	$ 2,036	$ 1,396	$ 6,696	$ 262,539	$ 283,962
Remove Castaic Unit 7 (does not provide AS)	LADWP GL	334					$ (8,398)	$ (8,398)
Remove SF 2 Unit 1 - Out of Service (estimate)	LADWP GL	334	$ -	$ -	$ -	$ -		$ -
Gross Plant Net of Unit Removals	$E$97=+E94+E96	334	$ 11,295	$ 2,036	$ 1,396	$ 6,696	$ 262,539	$ 283,962
Plant Bal.	LADWP GL	All Other FERC Acc.	$ 34,442	$ 28,512	$ 18,863	$ 21,649	$ 294,528	$ 397,994
Remove Castaic Unit 7 (does not provide AS)	LADWP GL	All Other FERC Acc.					$ (40,785)	$ (40,785)
Remove SF 2 Unit 1 - Out of Service (estimate)	LADWP GL	All Other FERC Acc.	$ -	$ -	$ -	$ -		$ -
Gross Plant Net of Unit Removals	$E$103=SUM(E100:E102)	All Other FERC Acc.	$ 34,442	$ 28,512	$ 18,863	$ 21,649	$ 253,743	$ 357,209
Total Hydro Before Other Reclassifications								
Plant Bal.	$F$106=F100+F94+F89		$ 72,029	$ 51,748	$ 42,775	$ 56,758	$ 761,462	$ 984,771
Remove Castaic Unit 7 (does not provide AS)	$F$107=F101+F95+F90		$ -	$ -	$ -	$ -	$ (104,569)	$ (104,569)
Remove SF 2 Unit 1 - Out of Service (estimate)	$F$108=F102+F96+F91		$ -	$ -	$ -	$ -	$ -	$ -
Gross Plant Net of Unit Removals	$E$109=SUM(E106:E108)		$ 72,029	$ 51,748	$ 42,775	$ 56,758	$ 656,893	$ 880,202
Other Hydro Reclassifications								
Owens Valley Common	$F$112=AD!N142			$ 4,030	$ 3,331	$ 4,420		11,781
Hydro Common	$E$113=AD!Q148+AD!R148		$ 231	$ 179	$ 148	$ 196	$ 2,437	3,190
Hydro Common allocated Units Removed	$F$114=-(-AD!S174+F108)-F107		$ (9,180)	$ -	$ -	$ -	$ (335)	(9,514)
7 Factor Reclassifications	$E$115=AD!Q164+AD!R164		$ 14,127	$ 2,458	$ 4,518	$ 4,292	$ -	25,394
115 kV Reclassification to SF 1 and SF 2	$E$116=(AD!Q170+AD!R170)		$ 16,451					16,451
Total Other Reclassifications	$E$117=SUM(E112:E116)		$ 21,629	$ 6,666	$ 7,996	$ 8,907	$ 2,103	$ 47,301
Total Reclassified Hydro (Before ECC, Intangible, Gen. plant)								
Plant Bal.	$E$120=E106+E112+E113+E115+E116	Total	$ 102,838	$ 58,413	$ 50,771	$ 65,665	$ 763,899	1,041,587
Out of Service/Does not provide AS	$E$121=E108+E114+E107	Total	$ (9,180)	$ -	$ -	$ -	$ (104,904)	(114,084)
Total Reclassified Hydro	$E$122=SUM(E120:E121)	Total	$ 93,658	$ 58,413	$ 50,771	$ 65,665	$ 658,995	$ 927,503
Check From AD			$ 93,658	$ 58,413	$ 50,771	$ 65,665	$ 658,995	$ 927,503

[1] Gross plant investment data based on FY 2019-20 thirteen month average balances, adjusted for common facilities, retirements and units that do not provide AS.

City of Los Angeles Department of Water and Power

Amendment No. 5 to LADWP's Open Access Transmission Tariff

Supplemental General Manager's Certificate

July 30, 2024

Amended General Manager's Certificate

On April 17, 2024, the General Manager of the Los Angeles Department of Water and Power ("LADWP") issued a General Manager' Certificate related to Amendment No. 5 to LADWP's Open Access Transmission Tariff ("OATT") (the "General Manager's Certificate").[1] The purpose of Amendment No. 5 was to update rates for transmission and ancillary services, and to modify certain non-rate terms and conditions of the OATT.

On April 22, 2024, the City of Burbank, California's Department of Water and Power ("Burbank" or "BWP") and the City of Glendale, California's Department of Water and Power ("Glendale" or "GWP") (collectively, the "Cities") provided LADWP with notice disputing the General Manager's Certificate and on May 1, 2024 provided LADWP with a description of the issues in dispute.[2] On May 15, 2024, LADWP, BWP and GWP, along with stakeholders that participated, met to resolve the issues in dispute.[3] This Supplement to the General Manager's Certificate is intended to document the resolution of the issues in dispute.

I. Proposed Transmission and Ancillary Service Rates

The Cities challenged the proposed changes to the transmission and ancillary service rates contained in the proposed OATT attached to the General Manager's Certificate. In resolution of the dispute, LADWP staff agreed to withdraw its proposed rate changes. The General Manager accepts the proposed resolution and therefore concludes that Cities rate concerns are resolved and hereby withdraws from further consideration the proposed rate changes contained in the OATT attached to the General Manager's Certificate, Attachment D of the General Manager's Certificate, and the discussion of rate changes contained in the General Manager's Certificate.

II. Non-Rate Terms and Conditions

The Cities challenged Section 17.7 of LADWP OATT on the fact that it allows two extensions of the date transmission service will commence where the FERC *pro forma* OATT allows five extensions.[4] Even though no changes to Section 17.7 of LADWP's OATT were proposed in the General Manager's Certificate, LADWP staff agreed to modify Section 17.7 of its OATT to align it with Section 17.7 of the *FERC pro forma* OATT. The General Manager accepts the proposed resolution and hereby recommends that the Board and City Council

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[1] LADWP has changed the title of "General Manager and Chief Engineer" to "Chief Executive Officer and Chief Engineer" effective May 14, 2024. Other than the title itself, the roles and responsibilities remain the same. The Chief Executive Officer and Chief Engineer has the authority to opine on all issues involving LADWP's OATT, and issue the General Manager's Certificate and any supplemental certificates thereafter.

[2] Departments of Water and Power for the Cities of Burbank and Glendale, California, *Appeal Brief* (May 1, 2024), *available at* http://www.oasis.oati.com/ldwp.

[3] *See* LADWP OATT-Amendments 5 and 6 Dispute Resolution Process Meeting, *Agenda*, *available at* http://www.oasis.oati.com/ldwp.

[4] FERC, *pro forma* OATT (Jan. 14, 2022), available at https://www.ferc.gov/media/pro-forma-oatt-effective-march-14-2022 ("The Transmission Customer can obtain, subject to availability, up to five (5) one-year extensions for the commencement of service.").

approve the proposed changes to Section 17.7 of LADWP's OATT attached to this General Manager's Certificate.

III. Energy Imbalance Market

The Cities raised several concerns related to how LADWP's OATT implements LADWP's participation in the California Independent System Operator's (CAISO) Energy Imbalance Market (EIM). In resolutions of these concerns, outside the context of the consideration of the proposed OATT changes, LADWP has agreed to continue engaging with the Cities regarding their participation in the EIM.

In exchange for how the issues discussed above were resolved, the Cities agreed to withdraw further challenges to the proposed non-rate terms and conditions of the OATT proposed in the General Manager's Certificate, as supplemented herein.

IV. Attachments

The General Manager hereby replaces Attachments B, C and D of the General Manager's Certificate with the following:

- Attachment B: Clean, Version of LADWP's OATT, and
- Attachment C: Redline version of LADWP's OATT, marked to show changes against its current OATT.

V. Conclusion

For the reasons discussed in the General Manager's Certificate, as supplemented and revised herein, the General Manager finds that the proposed OATT revisions attached hereto establish terms and conditions of service that are comparable to those under which LADWP provides transmission and ancillary services to itself and that are not unduly discriminatory or preferential. Accordingly, the General Manager recommends that the Board and City Council approve the proposed OATT revised attached hereto, becoming effective the first day of the month, following the date of approval by the City Council.

The proposed OATT revisions attached hereto, along with this Supplemental General Manager's Certificate and the General Manager's Certificate will be provided for consideration to the Board and City Council.[5]

Dated this 30th day of July 2024.

By _____ 7/30/24
Janisse Quiñones
Chief Executive Officer and Chief Engineer
Los Angeles Department of Power and Water

[5] Tariff Change Procedures § 12(b).

Attachment B

Clean version of LADWP's OATT (in PDF format)

OPEN ACCESS

TRANSMISSION TARIFF

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I. COMMON SERVICE PROVISIONS

1 Definitions

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 the 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 the 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 load Interchange-generation balance within a BAA, 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 BA. The BA maintains load-resource balance within this area. For purposes of this Tariff, "BAA" shall have the same meaning as "Control Area."

1.7 Balancing Authority Area Resource:

A resource owned by LADWP, or voluntarily contracted for by LADWP to provide EIM Available Balancing Capacity, that can provide regulation and load following services to enable the LADWP EIM Entity to meet reliability criteria. No resource unaffiliated with the LADWP EIM Entity shall be a Balancing Authority Area Resource solely on the basis of one or more of the following reasons:

1. the resource is a Designated Network Resource;
2. the resource flows on a Point-to-Point Transmission Service reservation; and/or
3. the resource is an Interconnection Customer under the Tariff.

1.8 Bid Cost Recovery (BCR):

The MO EIM settlements process through which LADWP EIM Participating Resources recover their bid costs.

1.8A Bookout:

A transaction in which energy or capacity contractually committed bilaterally for delivery is not actually delivered due to some offsetting or countervailing trade.

1.9 California Independent System Operator Corporation (CAISO):

A state-chartered, California non-profit public benefit corporation that operates the transmission facilities of all CAISO participating transmission owners and dispatches certain generating units and loads. The CAISO is the MO for the EIM.

1.10 CAISO BAA or CAISO Controlled Grid:

The system of transmission lines and associated facilities of the CAISO participating transmission owners that have been placed under the CAISO's operational control.

1.11 Commission:

The Federal Energy Regulatory Commission.

1.12 Completed Application:

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

1.13 Control Area:

An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

1. match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
2. maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
3. maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
4. provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

1.14 Curtailment:

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

1.15 Delivering Party:

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

1.16 Designated Agent:

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

1.17 Direct Assignment Facilities:

Facilities or portions of facilities that are constructed by the 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 the Transmission Customer.

1.18 Dispatch Instruction:

An instruction by the MO for an action with respect to a specific LADWP EIM Participating Resource or Balancing Authority Area Resource for increasing or decreasing its energy supply or demand.

1.19 Dispatch Operating Point:

The expected operating point, in MW, of an LADWP EIM Participating Resource that has received a Dispatch Instruction from the MO or a Balancing Authority Area Resource to which the LADWP EIM Entity has relayed a Dispatch Instruction received from the MO. For purposes of Attachment O of this Tariff, the Dispatch Operating Point means the MW output, of

i. an LADWP EIM Participating Resource due to an EIM bid being accepted and the LADWP EIM Participating Resource receiving a Dispatch Instruction; or

ii. a Balancing Authority Area Resource for which a Dispatch Instruction has been issued by the CAISO with respect to EIM Available Balancing Capacity.

1.20 Dynamic Transfer:

The provision of the real-time monitoring, telemetering, computer software, hardware, communications, engineering, energy accounting (including inadvertent Interchange), and administration required to electronically move all or a portion of the real energy services associated with a generator or load out of one BAA into another. A Dynamic Transfer can be either:

1. a Dynamic Schedule: a telemetered reading or value that is updated in real time and used as a schedule in the AGC/ACE equation and the

integrated value of which is treated as an after-the-fact schedule for Interchange accounting purposes; or

2. a Pseudo-Tie: a functionality by which the output of a generating unit physically interconnected to the electric grid in a native BAA is telemetered to and deemed to be produced in an attaining BAA that provides BA services for and exercises BA jurisdiction over the generating unit.

1.21 e-Tag:

An electronic tag associated with a schedule in accordance with the requirements of the North American Electric Reliability Corporation (NERC), the Western Electricity Coordinating Council (WECC), or the North American Energy Standards Board (NAESB).

1.22 EIM:

The Energy Imbalance Market. The real-time market to manage transmission congestion and optimize procurement of imbalance energy (positive or negative) to balance supply and demand deviations for the EIM Area through economic bids submitted by EIM Participating Resource Scheduling Coordinators in the fifteen-minute and five-minute markets.

1.23 EIM Area:

The combination of LADWP EIM Entity BAA, the CAISO BAA, and the

BAAs of any other EIM Entities.

1.24 EIM Available Balancing Capacity:

Any upward or downward capacity from a Balancing Authority Area Resource that has not been bid into the EIM and is included in the LADWP EIM Entity's Resource Plan.

1.25 EIM Entity:

A BA, other than the LADWP EIM Entity, that enters into the MO's pro forma EIM Entity Agreement to enable the EIM to occur in its BAA.

1.26 EIM Transfer:

The transfer of real-time energy resulting from an EIM Dispatch Instruction:

1. between the LADWP EIM Entity BAA and the CAISO BAA;
2. between the LADWP EIM Entity BAA and an EIM Entity BAA; or
3. between the CAISO BAA and an EIM Entity BAA using transmission capacity available in the EIM.

1.27 Eligible Customer:

i. Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for 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.

However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider.

ii. Any retail customer taking unbundled transmission service pursuant to a state requirement that the Transmission Provider offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer under the Tariff.

1.27A Emergency:

Any abnormal system condition that requires automatic or immediate manual action to prevent or limit the failure of transmission facilities or generation supply that could adversely affect the reliability of the Transmission Provider's or a third party's Transmission System.

1.28 Facilities Study:

An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such

modifications, that will be required to provide the requested transmission service.

1.29 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.

1.30 Flexible Ramping Product:

The costs associated with meeting a requirement, established by the MO, that may be enforced in the MO's EIM optimization to ensure that the unit commitment or dispatch of resources for intervals beyond the applicable commitment or dispatch period provide for the availability of required capacity for dispatch in subsequent real-time dispatch intervals.

1.31 Flexible Ramping Forecast Movement:

A resource's change in forecasted output between market intervals for purposes of the Flexible Ramping Product.

1.32 Flexible Ramping Uncertainty Award:

A resource's award for meeting a Flexible Ramping Uncertainty Requirement under the Flexible Ramping Product.

1.33 Flexible Ramping Uncertainty Requirement:

Flexible ramping capability to meet the Flexible Ramping Product

requirements established by the MO.

1.34 Forecast Data:

Information provided by Transmission Customers regarding expected load (as determined pursuant to Section 4.2.4.3 of Attachment O of this Tariff), generation, Intrachange, and Interchange, as specified in Section 4.2.4 of Attachment O and the LADWP EIM BP. The Transmission Customer Base Schedule includes Forecast Data that is used by the LADWP EIM Entity as the baseline by which to measure Imbalance Energy for purposes of EIM settlement.

1.35 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).

1.36 Imbalance Energy:

The deviation of supply or demand from the Transmission Customer Base Schedule, positive or negative, as measured by metered generation, metered load, or real-time Interchange or Intrachange schedules.

1.37 Instructed Imbalance Energy (IIE):

There are three scenarios that can lead to settlement of imbalance as IIE:

1. operational adjustments of the Transmission Customer's affected Interchange or Intrachange, which includes changes by the Transmission Customer after T-57,
2. resource imbalances created by Manual Dispatch or an EIM Available Balancing Capacity dispatch, or
3. an adjustment to resource imbalances created by adjustments to resource forecasts pursuant to Section 11.5 of the MO Tariff.

1.38 Interchange:

E-Tagged energy transfers from, to, or through the LADWP EIM Entity BAA or other BAAs, not including EIM Transfers.

1.39 Interconnection Customer:

Any Eligible Customer (or its Designated Agent) that executes an agreement to receive generation interconnection service pursuant to Attachments M or N of this Tariff.

1.40 Interruption:

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

1.41 Intrachange:

E-Tagged energy transfers within the LADWP EIM Entity BAA, not including real-time actual energy flows associated with EIM Dispatch Instructions.

1.42 LADWP:

Refers to Los Angeles Department of Water and Power Transmission Provider.

1.43 LADWP BAA:

Refers to the BAA operated by LADWP Transmission Provider.

1.44 LADWP BAA Transmission Owner:

A transmission owner, other than the LADWP EIM Entity, who owns transmission facilities in LADWP's BAA.

1.45 LADWP EIM Business Practice (LADWP EIM BP):

The business practice posted on LADWP's OASIS that contains procedures related to LADWP's implementation of EIM.

1.46 LADWP EIM Entity:

The Transmission Provider in performance of its role as an EIM Entity under

the MO Tariff and this Tariff, including, but not limited to, Attachment O.

1.47 LADWP EIM Entity BAA:

The collection of generation, transmission, and loads within the LADWP BAA modeled in the EIM with the MO for the LADWP EIM Entity which modeling excludes any generation, transmission and loads not served under this Tariff.

1.48 LADWP EIM Entity Scheduling Coordinator:

The Transmission Provider or the entity selected by the Transmission Provider who is certified by the MO and who enters into the MO's pro forma EIM Entity Scheduling Coordinator Agreement.

1.49 LADWP EIM Participating Resource:

A resource or a portion of a resource:

1. that has been certified in accordance with Attachment O by the LADWP EIM Entity as eligible to participate in the EIM; and
2. for which the generation owner and/or operator enters into the MO's pro forma EIM Participating Resource Agreement.

1.50 LADWP EIM Participating Resource Scheduling Coordinator:

A Transmission Customer with one or more LADWP EIM Participating Resource(s) or a third-party designated by the Transmission Customer with one or more LADWP EIM Participating Resource(s), that is certified by the

MO and enters into the MO's pro forma EIM Participating Resource Scheduling Coordinator Agreement.

1.51 LADWP Interchange Rights Holder:

A Transmission Customer who has informed the LADWP EIM Entity that it is electing to make reserved firm transmission capacity available for EIM Transfers without compensation.

1.52 Load Aggregation Point (LAP):

A set of Pricing Nodes that is used for the submission of bids and settlement of demand in the EIM.

1.53 Load Ratio Share:

Ratio of a Transmission Customer's Network Load to the 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.

1.54 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.

1.55 Locational Marginal Price (LMP):

The marginal cost ($/MWh) of serving the next increment of demand at that PNode consistent with existing transmission constraints and the performance characteristics of resources.

1.56 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.

1.57 Manual Dispatch:

An operating order issued by the LADWP EIM Entity to a Transmission Customer with an LADWP EIM Participating Resource or a Non-Participating Resource in the LADWPEIM Entity BAA, outside of the EIM optimization, when necessary to address reliability or operational issues in the LADWP EIM Entity BAA that the EIM is not able to address through economic dispatch and congestion management.

1.58 Market Operator (MO):

The entity responsible for operation, administration, settlement, and oversight of the EIM.

1.59 Measured Demand:

Measured Demand includes (1) Metered Demand, plus (2) e-Tagged export volumes sourced from the LADWP EIM Entity BAA, and (3) e-Tagged volumes wheeling through the LADWP EIM Entity BAA. Measured Demand

excludes e-Tagged volumes from generating resources pseudo-tied out of the LADWP EIM Entity BAA and EIM Transfers.

1.60 Metered Demand:

Metered load volumes in the LADWP EIM Entity BAA.

1.61 MO Tariff:

Those portions of the MO's approved tariff (as cited in the LADWP EIM BP), as such tariff may be modified from time to time, that specifically apply to the operation, administration, settlement, and oversight of the EIM.

1.62 Native Load Customers:

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

1.63 Network Customer:

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

1.64 Network Integration Transmission Service:

The transmission service provided under Part III of the Tariff.

1.65 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, the 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.

1.66 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.

1.67 Network Operating Committee:

A group made up of representatives from the Network Customer(s) and the

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.

1.68 Network Resource:

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

1.69 Network Upgrades:

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

1.70 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.

1.71 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.

1.72 Non-Participating Resource:

A resource in the LADWP EIM Entity BAA that is not an LADWP EIM Participating Resource.

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

The information system and standards of conduct contained in Part 37 of the Commission's regulations and all additional requirements implemented by the Transmission Provider dealing with OASIS.

1.74 Operating Hour:

The hour when the EIM runs and energy is supplied to load.

1.75 Pacific Prevailing Time or PPT:

The local time in Los Angeles, California.

1.76 Part I:

Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.

1.77 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.

1.78 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.

1.79 Parties:

The Transmission Provider and the Transmission Customer receiving service under the Tariff.

1.80 Point(s) of Delivery:

Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the 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.

1.81 Point(s) of Receipt:

Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the 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.

1.82 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.

1.83 Power Purchaser:

The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

1.84 Pre-Confirmed Application:

An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

1.85 Preschedule Day:

The preschedule day identified in WECC's Approved Preschedule Calendar for the given calendar year.

1.86 Pricing Node (PNode):

A single network node or subset of network nodes where a physical injection or withdrawal is modeled by the MO and for which the MO calculates an LMP that is used for financial settlements by the MO and the LADWP EIM Entity.

1.87 Real Power Losses:

Electrical losses associated with the use of the Transmission Provider's Transmission System and, where applicable, the use of the Transmission Provider's distribution system. Such losses are provided for in Sections 15.7 and 28.5 of the Tariff and settled financially under Schedule 12.

1.88 Receiving Party:

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

1.89 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.

1.90 Reserved Capacity:

The maximum amount of capacity and energy that the Transmission Provider

agrees to transmit for the Transmission Customer over the 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.

1.91 Resource Plan:

The combination of load, resource and Interchange components of the Transmission Customer Base Schedule, ancillary services plans of the LADWP EIM Entity, bid ranges submitted by LADWP EIM Participating Resources, and the EIM Available Balancing Capacity of Balancing Authority Area Resources.

1.92 Service Agreement:

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

1.93 Service Commencement Date:

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission

Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

1.94 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.

1.94A Substitute Designated Network Resource:

A resource not previously designated by a Network Customer under Section 29.2 that (1) goes to physical delivery to serve the Network Customer's Network Load, (2) solely as a result of a Bookout involving a Network Resource executed during the day prior to commencement of service, and (3) uses the transmission path previously reserved for the booked out Network Resource pursuant to Section 29 of the Tariff to deliver power to the Network Customer's Network Load.

1.95 System Condition

A specified condition on the 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 the Transmission Customer's Service

Agreement.

1.96 System Impact Study:

An assessment by the 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.

1.97 Tariff:

This Open Access Transmission Tariff as may be amended from time to time.

1.98 Third-Party Sale:

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

1.99 Transmission Customer:

Any Eligible Customer (or its Designated Agent) that executes a Service Agreement. 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.

1.100 Transmission Customer Base Schedule:

An energy schedule that provides Transmission Customer hourly-level Forecast Data and other information that is used by the LADWP EIM Entity as the baseline by which to measure Imbalance Energy for purposes of EIM settlement. The term "Transmission Customer Base Schedule" as used in this Tariff may refer collectively to the components of such schedule (resource, Interchange, Intrachange, and load determined pursuant to Section 4.2.4.3 of Attachment O) or any individual components of such schedule.

1.101 Transmission Provider:

The transmitting utility (or its Designated Agent) that owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides transmission service under the Tariff.

1.102 Transmission Provider's Monthly Transmission System Peak:

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

1.103 Transmission Service:

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

1.104 Transmission System:

The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of the Tariff.

1.105 Uninstructed Imbalance Energy (UIE):

For Non-Participating Resources in an EIM Entity BAA, the MO shall calculate UIE as either: (1) the algebraic difference between the resource's 5-minute meter data and the resource component of the Transmission Customer Base Schedule, or, if applicable, (2) the 5-minute meter data and any Manual Dispatch or EIM Available Balancing Capacity dispatch.

For Transmission Customers with load in the LADWP EIM Entity BAA, the LADWP EIM Entity shall calculate UIE as the algebraic difference between the Transmission Customer's actual hourly load and the Transmission Customer Base Schedule.

1.106 Unreserved Use:

Unreserved Use shall have the meaning ascribed in Section 13.4 of the Tariff.

1.107 Variable Energy Resource:

A device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or

operator; and (3) has variability that is beyond the control of the facility owner or operator.

2 Initial Allocation and Renewal Procedures

2.1 Initial Allocation of Available Transfer Capability

For purposes of determining whether existing capability on the 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) day period commencing with the effective date of the Tariff will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 13.2.

2.2 Continuation of Service

Subject to the Service Agreement term limitations in Section 13.1 and Section 28.1A, existing firm service customers (wholesale requirements and transmission-only, with a contract term greater than one year), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed; provided, however, the total

term for any Service Agreement, including all renewal options, is limited to three (3) years, unless:

2.2.1 In the reasonable but exclusive determination of Transmission Provider, the Eligible Customer has satisfied the requirements of the Governmental Person Use Certification and the requirements of Section 5.2 of this Tariff; or

2.2.2 The Transmission Provider and a firm service customer with a contract term of two (2) years or more have mutually agreed to add the following automatic renewal option to the initial Transmission Service Agreement:

> "**Automatic renewal option**": This TSA will automatically renew for an additional term of two (2) years, unless either Party notifies the other party of the termination of this automatic renewal option on or before the date that is one (1) year prior the last day of the initial term of the TSA, and one (1) year prior to the last day of each subsequent term of the TSA thereafter"; or

The applicable transmission service contract specifies otherwise, provided that in the reasonable but exclusive determination of Transmission Provider, such contract does not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities that would be used in

providing such transmission service.

2.3 Competing Requests

This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the 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 requesting service (up to three (3) years in duration) and be willing to pay the current rate for such service, as approved by the Transmission Provider's Board of Commissioners and the Los Angeles City Council for such service; provided that, the firm service customer (i) shall have a right of first refusal at the end of such service only if the Transmission Customer has not exhausted its three (3) year Service Agreement limitation and (ii) may only renew the service for a period such that the total term of the Service Agreement, including all renewal options, does not exceed three (3) years, unless in the reasonable but exclusive determination of Transmission Provider, the Eligible Customer has satisfied the requirements of the Governmental Person Use Certification and the requirements of Section 5.2 of this Tariff; or the Transmission Provider and a

firm service customer with a contract term of two (2) years or more have mutually agreed to add the automatic renewal option set forth in Section 2.2.2 of this Tariff to the initial Transmission Service Agreement. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than six (6) months 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 one year or longer.

2.4 Prior Service Agreements

Service agreements entered into prior to the effective date of this Tariff, unless terminated, will be subject to the renewal procedures above on the first roll over date after the effective date of this Tariff; except that, if the service agreement includes provisions governing continuation, renewal, or extension of service upon expiration of service agreement, then those terms shall govern, provided that in the reasonable but exclusive determination of Transmission Provider such continuation, renewal, or extension would not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service.

3 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), and the 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.

The Transmission Provider is required to offer to provide (or offer to arrange with the local Control Area operator as discussed below) the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Control Area (i) Regulation and Frequency Response or Generator Regulation and Frequency Response Service, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, and (iv) Operating Reserve - Supplemental. The Transmission Customer serving load within the Transmission Provider's Control Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), to the extent it is physically feasible to do so from its resources or from resources available to it, Generator Imbalance Service when Transmission Service is used to deliver energy from a

generator located within its Control Area. The Transmission Customer using Transmission Service to deliver energy from a generator located within the Transmission Provider's Control Area is required to acquire Generator Imbalance Service, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider. A Transmission Customer that exceeds its firm 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 that were provided by the Transmission Provider associated with the unreserved service pursuant to Schedule 11. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.

If the Transmission Provider is a transmitting utility providing transmission service but is not a Control Area operator for any segment of the transmission path, it may be unable to provide some or all of the Ancillary Services. In this

case, the Transmission Provider can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services from the Control Area operator. The Transmission Customer may elect to (i) have the Transmission Provider act as its agent, (ii) secure the Ancillary Services directly from the Control Area operator, or (iii) secure the Ancillary Services (discussed in Schedules 3, 4, 5, 6, 9, and 10) from a third party or by self-supply when technically feasible.

The Transmission Provider shall specify the rate treatment and all related terms and conditions in the event of an unauthorized use of Ancillary Services by the Transmission Customer in Schedule 11.

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 the Transmission Provider in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by the 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 the 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:

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 Generator Regulation and Frequency Response Service:

Where applicable the rates and/or methodology are described in Schedule 10.

4 Open Access Same-Time Information System (OASIS)

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in business practices and posted on OASIS. In the event available transfer capability as posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 19 and 32.

The 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. The 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. The Transmission Provider shall also post on OASIS and its public website an electronic link to a statement of the process by which the 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 the 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 the Transmission Provider deems appropriate.

5 Municipal Tax Exempt Bonds

5.1 Transmission Provider Own Facilities Financed by Tax Exempt and Tax Credit Bonds:

Notwithstanding any other provision of this Tariff, the 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 municipal bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service.

5.2 Governmental Person Use Certificate

5.2.1 The Transmission Provider may provide Transmission Service to an Eligible Customer in which the total term for any Service Agreement, including all renewal options, is greater than three (3) years, if the Eligible Customer provides a Governmental Person Use Certificate to the Transmission Provider, substantially in the form of Attachment A-2, consisting of a signed and notarized declaration, from a senior management representative who is duly authorized to represent Eligible Customer.

5.2.2 Any dispute between Transmission Provider and the Eligible Customer as to the determinations made by Transmission Provider in this Section 5.2 shall not be subject to the dispute resolution provisions of Section 12 of this Tariff; provided that nothing in this Section 5.2 shall be construed as

affecting in any way the ability of the Transmission Provider or Eligible Customer to exercise rights under any applicable law or regulations.

5.2.3 To facilitate the review by the Transmission Provider of the Eligible Customer Certification provided for in 5.2.1, the Eligible Customer may include documentary support, such as an IRS letter ruling or an unqualified opinion of a nationally-recognized bond counsel supporting the statements in the Certification. The Transmission Provider shall review and respond to the Eligible Customer's submission of a Governmental Person Use Certificate within forty-five (45) days of receipt of said Certificate.

5.2.4 After Transmission Provider's review of the Eligible Customer Certification provided in Section 5.2.1, which may include review by Transmission Provider's bond counsel, Transmission Provider will inform the Eligible Customer whether or not providing the Eligible Customer with a term of service longer than three (3) years pursuant to the Eligible Customer Certification would jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities. The Transmission Provider shall exercise reasonable but exclusive judgment to make such determination. Eligible Customer agrees to pay or reimburse Transmission Provider for reasonable costs and expenses (including fees and expenses of counsel) that may be incurred by Transmission Provider for review of the

individual Eligible Customer's Governmental Person Use Certificate.

5.2.5 An Eligible Customer that has been informed by Transmission Provider after the review in Section 5.2.4 that it qualifies for Transmission Service under a Service Agreement in which the total term, including all renewal options, is greater than three (3) years, may only sell, lay-off, or otherwise transfer in any manner, any individual service transaction pursuant to the provisions set forth in Section 23 of this Tariff, if the total term of the Service Agreement at the time of such sale, layoff or other transfer, including all renewal options, does not exceed three (3) years, unless in the reasonable but exclusive determination of Transmission Provider, the other Eligible Customer to which such service is sold, laid-off or otherwise transferred has also satisfied the requirements of the Eligible Customer Certification in Section 5.2 of this Tariff, or unless such transfer is to the operational control of an Independent System Operator or Regional Transmission Organization, subject to the reasonable but exclusive determination of Transmission Provider that such transfer would not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service and provided that Eligible Customer shall provide to Transmission Provider an unqualified opinion of a nationally-recognized bond

counsel to Transmission Provider that such transfer will not jeopardize the tax-exempt status of any such municipal bonds. Any resale, assignment or transfer of service that fails to conform to the provisions of Sections 5.2.5 and 23 of this Tariff, by intent or otherwise, shall be void and unenforceable.

5.2.6 Eligible Customers that have executed the Governmental Person Use Certification (Attachment A-2) may transfer rights to Transmission Service on Transmission Provider's Facilities to the operational control of an Independent System Operator or Regional Transmission Organization, subject to the reasonable but exclusive determination of Transmission Provider that such transfer would not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service. The terms applicable to such transfer shall provide for preservation of the tax-exempt status of financing instruments used to finance the Facilities. Eligible Customer shall provide to Transmission Provider assurance in the form of an unqualified opinion rendered by nationally-recognized bond counsel or similar documentation that is reasonably acceptable to Transmission Provider that transfer of operational control of Eligible Customer's rights to Transmission Service shall not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities.

6 Reciprocity

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to the Transmission Provider on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the 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 transmission-owning 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 the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates.

This reciprocity requirement applies not only to the 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 the 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 service is provided, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff. Notwithstanding the prior sentence, the Transmission Provider may submit invoices for periods of less than a full month. The invoice shall be paid by the Transmission Customer within twenty (20) days of receipt. All payments shall be made in immediately available funds in U.S. dollars payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider.

7.2 Interest on Unpaid Balances:

Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Transmission Provider.

7.3 Customer Default:

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the 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 the Transmission Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may provide written notice to the Transmission Customer of Transmission Provider's intent to terminate service sixty (60) calendar days from the date of such notice. Transmission Customer shall have seven (7) calendar days following the receipt of the Transmission Provider's notice of termination to submit a

written request to the Transmission Provider to commence the dispute resolution procedures of Section 12 of this Tariff. If Transmission Customer does not provide such notice within seven (7) calendar days of receipt of the notice of termination, then Transmission Provider may terminate service to the Transmission Customer on the date specified in the notice of termination. If the Transmission Customer does submit a timely written request to commence dispute resolution procedures, then Section 12 of this Tariff shall apply. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days.

8 Accounting for the Transmission Provider's Use of the Tariff

The Transmission Provider shall 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 the 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 the Transmission Customer's billing under the Tariff.

9 Tariff and Rate Changes, Withdraw, and Reservation of Rights

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider to unilaterally propose a change in rates, terms and conditions, charges or classification of service. The Transmission Provider may also change the rates that apply to transmission service under any Service Agreement under this Tariff

pursuant to applicable law.

The Transmission Provider reserves the right to withdraw and terminate the Tariff. However, the Transmission Provider will not terminate Transmission Service during the stated term of a Service Agreement. The Transmission Provider will also not terminate Transmission Service for Non-Firm Point-to-Point Service Agreements with a duration of less than 30 days. The Transmission Provider will provide thirty (30) days advance written notice prior to the terminating service under Service Agreements for Non-Firm Point-to-Point Transmission Service with a duration of more than thirty (30) days.

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the Tariff to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

10 Force Majeure and Indemnification

10.1 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, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing.

Neither the Transmission Provider nor the 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.

10.2 Indemnification:

The Transmission Customer shall at all times indemnify, defend, and save the 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 the Transmission Provider's performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by the Transmission Provider. Provided, however, that the standard of liability for the actions of the LADWP EIM Entity performed consistent with Attachment O of this Tariff shall be gross negligence or intentional wrongdoing.

11 Creditworthiness

The Transmission Provider will specify its Creditworthiness procedures in Attachment L.

12 Dispute Resolution Procedures

12.1 Internal Dispute Resolution Procedures:

Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under the Tariff shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days (or such other period as the Parties may agree upon) by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

12.2 External Arbitration Procedures:

Arbitration may be initiated under the Tariff. In the event that the Parties mutually agree to arbitration, the Parties shall comply with the following procedures:

12.2.1 Such arbitration shall be conducted before a single neutral arbitrator appointed by the Parties.

12.2.2 If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral 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) days select a third arbitrator to chair the arbitration panel.

12.2.3 Whether a single arbitrator or a three-member arbitration panel is selected, the arbitrator(s) 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 generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association or Regional Transmission Group rules.

12.3 Arbitration Decisions:

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) 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 the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above 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 and/or the Administrative Dispute Resolution Act.

12.4 EIM Disputes:

12.4.1 Disputes between the LADWP EIM Entity and a Transmission Customer or Interconnection Customer Related to Allocation of Charges or Payments from the MO: To the extent a dispute arises between the LADWP EIM Entity and a Transmission Customer or Interconnection Customer regarding the LADWP EIM Entity's implementation of this Tariff's provisions regarding the manner in which the LADWP EIM Entity allocates charges or payments from the MO, the parties shall follow the dispute resolution procedures in Sections 12.1 to 12.4 of this Tariff.

12.4.2 Disputes between the MO and LADWP EIM Participating Resource Scheduling Coordinators Related to EIM Charges and Payments Directly With the MO: Disputes involving settlement statements between the MO and LADWP EIM Participating Resource Scheduling Coordinators shall be resolved directly with the MO in accordance with the dispute resolution process outlined in the MO Tariff. A Transmission Customer with an LADWP EIM Participating Resource shall

provide notice to the LADWP EIM Entity if it raises a dispute with the MO, and such notice shall be provided in accordance with the process set forth in the LADWP EIM BP.

12.4.3 Disputes between the MO and the LADWP EIM Entity: The LADWP EIM Entity may raise disputes with the MO regarding the settlement statements it receives from the MO in accordance with the process specified in the MO Tariff. If the LADWP EIM Entity submits a dispute it shall provide notice to Transmission Customers in accordance with the LADWP EIM BP.

12.4.4 Disputes Regarding MO Charges or Payments to the LADWP EIM Entity Raised by Transmission Customers or Interconnection Customers: To the extent a dispute arises regarding a MO charge or a MO payment to the LADWP EIM Entity that is subsequently charged or paid by the LADWP EIM Entity to a Transmission Customer or an Interconnection Customer, and such Transmission Customer or Interconnection Customer wishes to raise a dispute with the MO, the LADWP EIM Entity shall file a dispute on behalf of such Transmission Customer or Interconnection Customer in accordance with the MO Tariff and work with the

Transmission Customer or the Interconnection Customer to resolve the dispute pursuant to the process specified in the MO Tariff.

12.5 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.

12.6 Rights Under The Federal Power Act:

Nothing in this section shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

12A Emergency Deviations

Notwithstanding any other provision in this Tariff, in an Emergency, the Transmission Provider, in its capacity as a Balancing Authority pursuant to applicable reliability rules adopted under Section 215 of the Federal Power Act, may take whatever actions are necessary and may direct a Network Customer to take whatever actions are necessary to keep the Transmission System in operation. The Transmission Provider shall post on its OASIS each Emergency that resulted in any deviation from the Tariff, within 24 hours of such deviation.

II. POINT-TO-POINT TRANSMISSION SERVICE

Preamble

The 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 hour and the maximum term, including all renewals granted in accordance with Section 2, shall be limited to three years pursuant Section 5.1 of this Tariff, unless in the reasonable but exclusive determination of Transmission Provider, the Eligible Customer has satisfied the requirements of the Governmental Person Use Certification and the requirements of Section 5.2 of this Tariff, in which case the maximum term shall be specified in the Service Agreement; or the Transmission Provider and a firm service customer with a contract term of two (2) years or more have mutually agreed to add the

automatic renewal option set forth in Section 2.2.2 of this Tariff to the initial Transmission Service Agreement.

13.2 Reservation Priority:

(i) 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.

(ii) Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction or reservation. However, Pre-Confirmed Applications 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 given to an Eligible Customer's request or reservation that offers the highest price, followed by the date and time of the request or reservation.

(iii) If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following

conditional reservation deadlines: one 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 and lower price has the right of first refusal to match any longer-term request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the 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 the 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, price

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.

(iv) 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 2.3.

13.3 Use of Firm Transmission Service by the Transmission Provider:

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

13.4 Service Agreements:

The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer

when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service pursuant to the Tariff. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement ("Unreserved Use") will be deemed, for purposes of assessing any appropriate charges and penalties for such Unreserved Use, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the 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 or Redispatch Costs:

In cases where the 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 the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27. To the extent the Transmission Provider can relieve any system constraint by redispatching the Transmission Provider's resources, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27 and agrees to either (i) compensate the Transmission Provider for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment by the Transmission Provider of redispatch requirements as described in Section 15.4. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be

charged to the 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 the 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. Transmission Provider may elect to implement such Curtailments pursuant to the WECC procedures and protocols for unscheduled flow mitigation specified in Attachment J. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the 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 the 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 the 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 the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments. Transmission Provider shall take necessary measures to ensure reliability in LADWP's BAA in accordance with Section 6 of Attachment O.

13.7 Classification of Firm Transmission Service:

(a) The 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.

(b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the 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.

(c) The 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 the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm 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 the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm 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 the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7. The 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. The 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 the 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.

(d) In the event of an Unreserved Use, the Transmission Customer or Eligible Customer shall pay an Unreserved Use charge and penalty in accordance with Schedule 11.

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

Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 3:00 p.m. PPT of the Preschedule Day prior to commencement of such service. Schedules submitted after 3:00 p.m. PPT will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Subject to Transmission Provider's prior approval, Transmission Customers within the 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 before the start of the next scheduling interval provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules and, when

available, 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 the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the 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 Applications. 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 highest price offered by the Eligible Customer for the Transmission Service. 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 the 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 the 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 the 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 the Transmission Provider:

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales. The 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:

The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for 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. The 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. The Transmission Provider shall specify the rate treatment under Schedule 11 and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its non-firm capacity reservation. 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 an hourly, 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 the Transmission Provider no later than 3:00 p.m. PPT of the Preschedule Day prior to commencement of such service. Schedules submitted after 3:00 p.m. PPT will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the 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 up to twenty (20) minutes before the start of the next

scheduling interval provided that the Delivering Party and Receiving Party also agree to the schedule modification. The 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 the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the 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:

The 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 may elect to implement such Curtailments pursuant to the WECC procedures and protocols for unscheduled flow mitigation specified in Attachment J. The 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) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, (4) transmission service for Network Customers from non-designated resources, or (5) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 15.4. The Transmission Provider also will discontinue or reduce service to the 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. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice. Transmission Provider will take necessary measures to ensure reliability in LADWP's BAA in accordance with Section 6 of Attachment O.

15 Service Availability

15.1 General Conditions:

The 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 the Transmission Provider's specific methodology for assessing available transfer capability posted on the 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, the Transmission Provider will respond by performing a System Impact Study.

15.3 Initiating Service in the Absence of an Executed Service Agreement:

If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, the Transmission Customer may submit a written notification of the disputed terms and conditions pursuant to dispute resolution procedure of Section 12 of this Tariff. The written notification should detail the acceptable versus the disputed terms and conditions. The Transmission Provider may commence providing reliable Transmission Service in compliance with this Tariff and all Applicable Reliability Standards to the Transmission Customer under an unexecuted Point-To-Point Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service**,** subject to the Transmission Customer agreeing to (1) compensate Transmission Provider at its current just and reasonable rate, as approved by the Transmission Provider's Board of Commissioners and Los Angeles City Council, and (2) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

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

(a) If the 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, the 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 the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The 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 the Transmission Provider has the right to expand or modify.

(b) If the 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, the Transmission Provider

will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. A Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third-party resource.

(c) If the 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, the Transmission Provider will offer the Firm Transmission Service with the condition that the 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 the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i)

Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or (iii) the 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:

The 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 the 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 Agreements:

Eligible Customers receiving transmission service under other agreements with the Transmission Provider may continue to receive transmission service under those agreements until such time as those agreements may expire or terminate. If the service agreement includes provisions governing continuation, renewal, or extension of service upon expiration of the service agreement, then those terms shall govern, provided that in the reasonable but

exclusive determination of Transmission Provider continuation, renewal, or extension of such contract would not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service.

15.7 Real Power Losses:

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer shall compensate Transmission Provider for losses associated with all transmission service as provided in Schedule 12. The applicable Real Power Loss factors are as follows:

a. 5.02% for any delivery of energy using the Intermountain Power Project Direct Current segment; and

b. 6.07% for any delivery of energy using the Pacific Direct Current Intertie segment; and

c. 1.78% for any delivery of energy using only Alternating Current segments; and

d. An additional 5.89% loss factor will be included for any delivery of energy using the SYLMAR to PALOVERDE500 segments.

For any delivery of energy using a combination of segments, the highest loss factor will apply. Additionally, if the SYLMAR to PALOVERDE500 segment is used, then 5.89% will be added to the highest loss factor.

16 Transmission Customer Responsibilities

16.1 Conditions Required of Transmission Customers:

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

(a) The Transmission Customer has pending a Completed Application for service;

(b) The Transmission Customer meets the creditworthiness criteria set forth in Section 11;

(c) The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of the Tariff commences;

(d) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation;

(e) The Transmission Customer provides the information required by

the Transmission Provider's planning process established in Attachment K;

(f) The Transmission Customer has executed a Point-To-Point Service Agreement or has agreed to receive service pursuant to Section 15.3; and

(g) The Transmission Customer must comply with the requirements of Attachment O regarding the EIM.

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 the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the Transmission Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the 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, the Transmission Provider will undertake reasonable efforts to assist the 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: Attention: Manager of Transmission Contracts, Los Angeles Department of Water and Power, 111 N. Hope Street, Room 1246, Los Angeles, CA 90012, at least sixty (60) days but no greater than three (3) years in advance of the calendar month in which service is to commence. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the priority of the Application.

17.2 Completed 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, electronic mail address,

and facsimile number of the entity requesting service;

(ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

(iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;

(iv) 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. The 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 RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations;

(v) A description of the supply characteristics of the capacity and energy to be delivered;

(vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;

(vii) The Service Commencement Date and the term of the requested Transmission Service;

(viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;

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

(x) Any additional information required by the Transmission Provider's planning process established in Attachment K.

The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

17.3 Deposit:

A Completed Application for Firm Point-To-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one

month. If the Application is rejected by the 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 (RFP), said deposit shall be returned with interest less any reasonable costs incurred by the Transmission Provider in connection with the review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by the Transmission Provider if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the deposit shall be refunded in full, with interest less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer. The Transmission Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the 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, with interest, will be returned to the Transmission Customer upon expiration or

termination of the Service Agreement for Firm Point-To-Point Transmission Service. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to the Transmission Provider's account.

17.4 Notice of Deficient Application:

If an Application fails to meet the requirements of the Tariff, the Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. The Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application, along with any deposit, with interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the 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 Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transfer capability as required in Section 15.2. The Transmission

Provider shall notify the 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 the 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 the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Transmission Provider's execution of the Service Agreement is subject to approval by its governing body. 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 or request the filing of an unexecuted service agreement pursuant to Section 15.3, within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded

with 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:

The Transmission Customer can obtain, subject to availability, up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service 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 15 days of notifying the 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 the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) 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 the 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 the Transmission Provider. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application.

18.2 Completed 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, facsimile number and electronic mail address of the entity requesting service;

(ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

(iii) The Point(s) of Receipt and the Point(s) of Delivery;

(iv) The maximum amount of capacity requested at each Point of Receipt and Point of Delivery; and

(v) The proposed dates and hours for initiating and terminating transmission service hereunder.

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

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

(vii) The electrical location of the ultimate load.

The Transmission Provider will treat this information in (vi) and (vii) as confidential at the request of the 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 RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

(viii) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the 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) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) days before service is to commence, and requests for hourly service shall be submitted no earlier than 11:00 a.m. PPT of the Preschedule Day before service is to commence. Requests for service received later than the times specified above may be accommodated by Transmission Provider.

18.4 Determination of Available Transfer Capability:

Following receipt of a tendered schedule the 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) 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, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects to have the Transmission Provider study redispatch or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider along with a study deposit of $50,000 within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement or fails to return it to Transmission Provider along with the

study deposit within the time prescribed above, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest.

19.2 System Impact Study Agreement and Cost Reimbursement:

(i) The System Impact Study Agreement will clearly specify the 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, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

(ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to

accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.

(iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 20.

19.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including an estimate of the cost of redispatch, (3) conditional curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur, and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2)

provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time, it shall so notify the 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 the Eligible Customer as soon as the System Impact Study is complete. The 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. The Transmission Provider shall notify the 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) days of completion of the System Impact Study, the Eligible Customer must execute a Service Agreement or request in writing an unexecuted Service Agreement pursuant to Section 15.3 of the Tariff and return it to Transmission Provider

within the time prescribed, or the Application shall be deemed terminated and withdrawn.

19.4 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider along with a study deposit of $75,000 payable to LADWP within fifteen (15) days. If the 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 with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the 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 the Transmission Customer, (ii) the 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 time required to complete such construction and initiate the requested service. The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.5 Facilities Study Modifications:

Any change in design arising from inability to site 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 the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

19.6 Due Diligence in Completing New Facilities:

The Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The 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.

19.7 Partial Interim Service:

If the 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, the 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 and through redispatch. However, the 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.

19.8 Expedited Procedures for New Facilities:

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the 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 the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible

Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

19.9 Requirement to Meet Study Completion Deadline.

Transmission Provider is required to use due diligence to meet 60-day study completion deadline for System Impact Studies and Facility Studies.

(i) The Transmission Provider is required to file a notice with Transmission Provider's Board of Commissioners in the event that more than twenty (20) percent of non-Affiliates' System Impact Studies and Facilities Studies completed by the Transmission Provider in any two consecutive calendar quarters are not completed within the 60-day study completion deadlines. Such notice must be filed within thirty (30) days of the end of the calendar quarter triggering the notice requirement.

(ii) For the purposes of calculating the percent of non-Affiliates' System Impact Studies and Facilities Studies processed outside of the 60-day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of

completed studies. The Transmission Provider may provide an explanation in its notification filing to the Transmission Provider's Board of Commissioners if it believes there are extenuating circumstances that prevented it from meeting the 60-day study completion deadlines.

20 Procedures if The 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, the Transmission Provider shall promptly notify the Transmission Customer. In such circumstances, the Transmission Provider shall within thirty (30) days of notifying the Transmission Customer of such delays, convene a technical meeting with the Transmission Customer to evaluate the alternatives available to the Transmission Customer. The Transmission Provider also shall make available to the Transmission Customer studies and work papers related to the delay, including all information that is in the possession of the Transmission Provider that is reasonably needed by the 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, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the 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, the Transmission Provider shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 12.

20.3 Refund Obligation for Unfinished Facility Additions:

If the Transmission Provider and the 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 the Transmission Customer shall be returned with interest pursuant to Commission regulations 18 CFR §

35.19a(a)(2)(iii). However, the Transmission Customer shall be responsible for all prudently incurred costs by the 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:

The 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. The Transmission Provider will undertake reasonable efforts to assist the 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, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the 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. The Transmission Provider shall notify the 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) days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12.

22 Changes in Service Specifications

22.1 Modifications On a Non-Firm Basis:

The Transmission Customer taking Firm Point-To-Point Transmission Service may request the 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.

(a) 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 the Transmission Provider on behalf of its Native Load Customers.

(b) The sum of all Firm and non-firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.

(c) The 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.

(d) 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, the 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 Resale, Assignment or Transfer of Service:

Subject to the provisions of Section 5 of this Tariff, Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement to another Eligible Customer or to the operational control of an Independent System Operator or Regional Transmission Organization (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to Resellers shall be at rates established by agreement between the Reseller and the Assignee.

The Reseller and Assignee must execute the Form of Service Agreement for the Resale, Assignment or Transfer of Point-To-Point Transmission Service (Attachment A-1) with the Transmission Provider governing reassignments of transmission service prior to the date on which the reassigned service commences, unless the transfer is of operational control to an Independent

System Operator or Regional Transmission Organization, in which case execution of Attachment A-1 is not required. Transmission Provider is not responsible for administering any financial arrangements between the Reseller and Assignee, including without limitation, the payment of financial losses and penalties. Reseller remains liable for any and all financial obligations and payments to Transmission Provider under the parent Service Agreement except as specifically agreed to by the Transmission Provider and the Reseller through an amendment to the Service Agreement. Transmission Provider will not accept payment from an Assignee for a resale transaction on behalf of a Reseller. 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 transfer is to an Independent System Operator or Regional Transmission Organization, then only provisions of the OATT that are relevant to usage of the transferred rights under the Service Agreement will be applicable. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

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, the 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 the Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate the 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 the Transmission Provider and the Reseller through an amendment to the Service Agreement.

23.3 Information on Assignment or Transfer of Service:

In accordance with Section 4, all sales or assignments of capacity must be conducted through or otherwise posted on the Transmission Provider’s OASIS on or before the date the reassigned service commences and are subject to Section 23.1. Resellers may also use the 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, the 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 the Transmission Provider. Such equipment shall remain the property of the Transmission Customer.

24.2 Transmission Provider Access to Metering Data:

The 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, the Transmission Customer is required to maintain a power factor within the same range as the 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).

The Transmission Provider shall use Part II of the Tariff to make its Third-Party Sales. The Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 8.

26 Stranded Cost Recovery

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

27 Compensation for New Facilities and Redispatch Costs

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs. Whenever a System Impact Study performed by the Transmission Provider identifies capacity constraints that may be relieved by redispatching the Transmission Provider's resources to eliminate such constraints, the Transmission Customer shall be responsible for the redispatch costs.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

Preamble

The 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 the 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 the Transmission Provider's Control 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, and must comply with the requirements of Attachment O regarding the EIM.

28.1A Term of Service:

The minimum term of Network Integration Transmission Service shall be more than one year and the maximum term, including all renewals granted in accordance with Section 2, shall be limited to three years pursuant Section 5.1 of this Tariff, unless in the reasonable but exclusive determination of Transmission Provider, the Eligible Customer has satisfied the requirements of the Governmental Person Use Certification and the requirements of Section 5.2 of this Tariff, in which case the maximum term shall be specified in the Service Agreement; or the Transmission Provider and a firm service customer with a contract term of two (2) years or more have mutually agreed to add the automatic renewal option set forth in Section 2.2.2 of this Tariff to the initial Transmission Service Agreement.

28.2 Transmission Provider Responsibilities:

The 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 the Transmission Provider's Transmission System. The 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 the Transmission Provider to calculate available transfer capability. The 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 the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers.

28.3 Network Integration Transmission Service:

The 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 the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.

28.4 Secondary Service:

The Network Customer may use the 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 Transmission Provider is not obligated to provide Real Power Losses. The Network Customer shall compensate Transmission Provider for losses associated with all transmission service as provided in Schedule 12. The applicable Real Power Loss factors are as follows:

a. 5.02% for any delivery of energy using the Intermountain Power Project Direct Current segments; and

b. 6.07% for any delivery of energy using the Pacific Direct Current Intertie segment; and

c. 1.78% for any delivery of energy using only Alternating Current segments; and

d. An additional 5.89% loss factor will be included for any delivery of energy using the PALOVERDE500 to SYLMAR segments.

For any delivery of energy using a combination of segments, the highest loss factor will apply. Additionally, if the PALOVERDE500 to SYLMAR segment is used, then 5.89% will be added to the highest loss factor.

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 the Transmission Provider's Transmission System. The 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.

28.7 Participation in the EIM:

Notwithstanding the limitations in Section 28.6, Network Customers utilizing a Network Integration Transmission Service Agreement and Native Load Customer may participate in the EIM without a requirement to terminate the designation of any Network Resource that is an LADWP EIM Participating

Resource consistent with Section 30.3 of this Tariff and without a requirement to reserve additional Point-To-Point Transmission Service for such transactions.

29 Initiating Service

29.1 Condition Precedent for Receiving Service:

Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4, (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff, and (iv) the Eligible Customer executes a Network Operating Agreement with the 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 the 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 the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods 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 facsimile number 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 the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission 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

- Approximate variable generating cost ($/MWH) for redispatch computations
- Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control 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 control area from which the power will originate
- Delivery point(s) to the 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
- Approximate variable generating cost ($/MWH) for redispatch computations;

(vi) Description of Eligible Customer's transmission system:

- Load 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 load flow format compatible with that used by the Transmission Provider
- Operating restrictions needed for reliability
- Operating guides employed by system operators
- Contractual restrictions or committed uses of the Eligible

Customer's transmission system, other than the 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 Control Area ties with other Control 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) Any additional information required of the Transmission Customer as specified in: (1) the Transmission Provider's planning process established in Attachment K; and (2) Attachment O.

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

that fully complies with the requirements of this section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

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

Network Integration Transmission Service shall not commence until the 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. The 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 the 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.

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 or participating in the EIM in accordance with Attachment O. Notwithstanding the preceding sentence, a designated Network Resource may be used to supply power to a third party on a firm basis to address or forestall an Emergency without a corresponding undesignation of that Network Resource. The supply of such power from the Network Resource may not last for more than two consecutive hours without undesignation and, within one business day of the last delivery of such emergency power, the Network Customer shall provide a notice to the Transmission Provider containing the

details of such supply. Within one business day of receipt of such notice from the Network Customer, Transmission Provider will post the notice on its OASIS. 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 the Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made through the 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 the 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 a part of a generating resource as a Network Resource by providing notification to the Transmission Provider through OASIS as soon as reasonably practicable, but not later than following deadlines: (1) for terminations of a day or longer, no later than 3 p.m. PPT the day before the undesignation is to take effect; and (2) for termination with a duration of less than a day, as early as possible, but no later than 20 minutes before the start of the e-tag to which the undesignation applies. 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 the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff. Information provided by a Network Customer necessary to redesignate a Network Resource following a period of temporary termination may incorporate by reference information provided pursuant to Section 29 when that resource was first designated; provided, however, a Network Customer must provide a renewed attestation, as required by Section 29.2(viii), in order to properly redesignate the Network Resource.

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 Control 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 LADWP EIM Participating Resources responding to Dispatch Instructions or to changes in the operation of a Transmission Customer's Network Resources at the request of the 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 the 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 the Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4. Schedule 11 of this Tariff specifies 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 the Transmission Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service. Power from a Substitute Designated Network Resource may be transmitted over network transmission capacity reserved under Section 29 for the Bookout Network Resource, provided that the Network Customer must document the Substitute Designated Network Resource on its e-tag submitted to the Transmission Provider. Transmission Provider reserves the right to audit a Network Customer's compliance with this requirement. A Network Customer need not undesignate

a Network Resource before engaging in a Bookout involving that Network Resource.

30.5 Network Customer Redispatch Obligation:

As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.

30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The 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 the Transmission Provider's Transmission System. The 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.

30.7 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.

30.8 Use of Interface Capacity by the Network Customer:

There is no limitation upon a Network Customer's use of the 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 the Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's Load.

30.9 Network Customer Owned Transmission Facilities:

The Network Customer that owns existing transmission facilities that are integrated with the 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 the Transmission Provider, to serve its power and transmission customers. For facilities added by the Network Customer subsequent to January 29, 2019 at 00:00, the Network Customer shall receive credit for such

transmission facilities added if such facilities are integrated into the operations of the 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 the Transmission Provider, would be eligible for inclusion in the 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 the 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 the Transmission Provider:

The Network Customer shall provide the 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. The 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 32.4 and shall be charged to the Network Customer in accordance with LADWP's policies.

31.3 Network Load Not Physically Interconnected with the Transmission Provider

This section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with the Transmission Provider. To the extent that the Network Customer desires to obtain transmission service for a load outside the 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 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 the Transmission Provider's Transmission System and a Network Load, the Network Customer shall provide the 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 the Transmission Provider and charged to the Network Customer as reflected in the Service Agreement. However, the 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 the 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 the Transmission

Provider's planning process in Attachment K. The Network Customer also shall provide the 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 the 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, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and

return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest.

32.2 System Impact Study Agreement and Cost Reimbursement:

(i) The System Impact Study Agreement will clearly specify the 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, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

(ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to

accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.

(iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the 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, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including, to the extent possible, an estimate of the cost of redispatch, (3) available options for installation of automatic devices to curtail service (when requested by an Eligible Customer), and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on

the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the 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 the Eligible Customer as soon as the System Impact Study is complete. The 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. The Transmission Provider shall notify the 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) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or the Application shall be deemed terminated and withdrawn.

32.4 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the 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 the Eligible Customer, (ii) the Eligible Customer's appropriate

share of the cost of any required Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30) 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, the 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 the Transmission Provider determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The Transmission Provider will notify all affected Network Customers in a timely

manner of any scheduled Curtailment.

33.2 Transmission Constraints:

During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures pursuant to the Network Operating Agreement to redispatch all Network Resources and the Transmission Provider's own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers and any Network Customer's use of the Transmission System to serve its designated Network Load.

33.3 Cost Responsibility for Relieving Transmission Constraints:

Whenever the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint, the Transmission Provider

and Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

33.4 Curtailments of Scheduled Deliveries:

If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Network Operating Agreement or pursuant to the Transmission Loading Relief procedures specified in Attachment J.

33.5 Allocation of Curtailments:

The 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 the Transmission Provider and Network Customer in proportion to their respective Load Ratio Shares. The Transmission Provider shall not direct the Network Customer to Curtail schedules to an extent greater than the Transmission Provider would Curtail the Transmission Provider's schedules under similar circumstances.

33.6 Load Shedding:

To the extent that a system contingency exists on the Transmission Provider's

Transmission System and the Transmission Provider determines that it is necessary for the 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.

33.7 System Reliability:

Notwithstanding any other provisions of this Tariff, the 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 the 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 the Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the 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. The 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 the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers. The 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 the Transmission Provider for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with LADWP requirements, 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 the 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 the Transmission Provider under Section 31.3) coincident with the Transmission

Provider's Monthly Transmission System Peak.

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

The Transmission Provider's monthly Transmission System load is the 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 Redispatch Charge:

The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and the Transmission Provider pursuant to Section 33. To the extent that the Transmission Provider incurs an obligation to the Network Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer's bill for the applicable month.

34.5 Stranded Cost Recovery:

The Transmission Provider may seek to recover stranded costs from the Network Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888 and pursuant to any other applicable law. The Transmission Provider's proposed stranded

cost recovery shall be subject to the dispute resolution procedures of this Tariff.

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 the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch

required under Section 33, 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 Control Area under applicable guidelines of the Electric Reliability Organization (ERO) as defined in 18 C.F.R. § 39.1, (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or (iii) satisfy its Control 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. The 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:

If there are Network Customers, a Network Operating Committee (Committee) shall be established to coordinate operating criteria for the Parties' respective responsibilities under the Network Operating Agreement.

If a Committee is established, each Network Customer shall be entitled to have at least one representative on the Committee, and 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 Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control 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 Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

All Transmission Customers required to acquire Scheduling, System Control and Dispatch Service shall pay a charge invoiced monthly for Scheduling, System Control and Dispatch Service provided by the Transmission Provider equal to the amount set forth below. For Point-to-Point Transmission Service, the rate shall be applied to the Transmission Customer’s Reserved Capacity.

Schedule 1 - Scheduling, System Control and Dispatch Service

Service	Period	Rates
Hourly	On-Peak	$0.344/MWh
Hourly	Off-Peak	$0.163/MWh
Daily	Full	$0.004/kW-day
Weekly	Full	$0.027/kW-mo
Monthly	Full	$0.119/kW-mo
Yearly	Full	$1.429/kW-yr

SCHEDULE 1A

EIM Administrative Service

This service recovers the administrative costs assessed by the CAISO as the MO of the EIM to the LADWP EIM Entity in accordance with Sections 4.5.1.1.4, 4.5.1.3, 11.22.8, and 29.11(i) of the MO Tariff (EIM Administrative Costs). All Transmission Customers purchasing Long Term Firm Point-to-Point Transmission Service, Short-Term Firm Point-to-Point Transmission Service, Non-Firm Point-to-Point Transmission Service, or Network Integration Transmission Service from the Transmission Provider shall be required to acquire EIM Administrative Service from the Transmission Provider.

EIM Administrative Costs assigned to the LADWP EIM Entity shall be sub-allocated to Transmission Customers on the basis of Measured Demand for the time period in which the EIM Administrative Costs were incurred.

SCHEDULE 2

Reactive Supply and Voltage Control from Generation or Other Sources Service

In order to maintain transmission voltages on the 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 control 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 the 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 the 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 the Transmission Provider.

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

service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the Control Area operator.

All Transmission Customers required to acquire reactive supply and voltage control shall pay a charge invoiced monthly for reactive supply and voltage control equal to the amount set forth below. For Point-to-Point Transmission Service, the rate shall be applied to the Transmission Customer's Reserved Capacity.

Schedule 2 – Reactive Supply and Voltage Control from Generation and Other Sources Service

Service	Period	Rates
Hourly	On-Peak	$0.499/MWh
Hourly	Off-Peak	$0.237/MWh
Daily	Full	$0.006/kW-day
Weekly	Full	$0.040/kW-wk
Monthly	Full	$0.173/kW-mo
Yearly	Full	$2.078/kW-yr

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 the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider).

The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation.

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

1. Regulation and Frequency Response Service Requirements:

The Transmission Customer's total load within the Transmission Provider's Control Area shall not exceed the Transmission Customer's Reserved Capacity, and the Transmission Provider shall have no obligation to provide this service for any other loads of the Transmission Customer.

A Transmission Customer purchasing Regulation and Frequency Response Service will be required to purchase an amount of such service equal to 1.885 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service. Where the Transmission Customer's Reserved Capacity is used to deliver power from a non-dispatchable resource physically or electrically located in the Transmission Provider's Control Area to the Transmission Customer's load, the Transmission Customer shall purchase Generator Regulation and Frequency Response Service under Schedule 10. The Transmission Provider may not charge a Transmission Customer for service under both Schedule 3 and Schedule 10 for the same Reserved Capacity. The billing determinants for this service shall be reduced by any portion of the 1.885 percent purchase obligation that a Transmission Customer obtains from third-parties or supplies itself.

2. Compensation to for Regulation and Frequency Response Service:

All Transmission Customers required to acquire Regulation and Frequency Response Service shall pay a charge invoiced monthly equal to the amount set forth below.

Schedule 3 – Regulation and Frequency Response Service

Service	Period	Rates
Hourly	On-Peak	$18.019/MWh
Hourly	Off-Peak	$8.557/MWh
Daily	Full	$0.206/kW-day
Weekly	Full	$1.442/kW-wk
Monthly	Full	$6.247/kW-mo
Yearly	Full	$74.959/kW-yr

SCHEDULE 4

Energy Imbalance Service

This Schedule 4 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended. In accordance with Section 10 of Attachment O of this Tariff, Schedule 4A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended.

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within the LADWP EIM Entity BAA over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within the LADWP EIM Entity BAA. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

A Transmission Customer shall be charged or paid for Energy Imbalance Service measured as the deviation of the Transmission Customer's metered load compared to the load component of the Transmission Customer Base Schedule (as determined pursuant to Section 4.2.4 of Attachment O of this Tariff) settled as UIE for the period of the deviation at the applicable LAP price where the load is located, as determined by the MO under Section 29.11(b)(3)(C) of the MO Tariff.

SCHEDULE 4A

Energy Imbalance Service when EIM Suspended

In accordance with Section 10 of Attachment O of this Tariff, this Schedule 4A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended. Schedule 4 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended.

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. An Interconnection Customer, as defined in Attachment M or N of the Tariff, as applicable, must pay imbalance charges in accordance with this Schedule. The Transmission Customer must either purchase this service from the 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 Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a 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 Transmission Provider has established charges for energy imbalance based on the deviation bands as follows:

(i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, using the Hourly Pricing Proxy;

(ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent the Hourly Pricing Proxy for under-scheduling or 90 percent of the Hourly Pricing Proxy for over-scheduling; and

(iii) deviation greater than +/- 7.5 percent (or greater than 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of the

Hourly Pricing Proxy for under-scheduling or 75 percent of the Hourly Pricing Proxy for over-scheduling.

Hourly Pricing Proxy: For purposes of this Schedule, "Hourly Pricing Proxy" is defined as the average price for each hour of the delivered energy price at SP15 day-ahead Index. In the event the referenced index price is negative, the referenced index price shall be deemed to be zero dollars ($0). At the end of each month, the Transmission Provider shall calculate the Hourly Pricing Proxy using pricing information from Dow Jones, the California ISO or another authenticated source.

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. The Transmission Provider must offer this service when the transmission service is used: (a) to serve load within the Transmission Provider's Control Area and (b) to support sales from generators located within its Control Area. The Transmission Customer must either purchase this service from the 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 Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

1. **Spinning Reserve Service Requirements:**

The Transmission Customer may purchase Spinning Reserve Service under this Tariff to satisfy its spinning reserve obligations commensurate with the amount of Reserved Capacity purchased from the Transmission Provider. Specifically, the Transmission Customer's total load within the Transmission Provider's Control Area

shall not exceed the Transmission Customer's Reserved Capacity, and the Transmission Provider shall have no obligation to provide this service for any other loads of the Transmission Customer.

If spinning reserves are provided by any party other than the Transmission Provider, sufficient transmission capacity shall be purchased to provide for the delivery of spinning reserves under any credible single contingency. Spinning reserves shall not be provided by the same generation resource supplying load, since loss of this resource represents a credible single contingency.

The Transmission Customer shall identify in its Application the manner by which it intends to provide for spinning reserves. The use of any resources owned by parties other than the Transmission Provider as spinning reserve resources shall be subject to verification by the Transmission Provider, and such resources shall conform to applicable WECC and NERC criteria for spinning reserves.

A Transmission Customer purchasing Spinning Reserve Service will be required to purchase an amount of such service equal to 4.874 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service. However, a Transmission Customer shall purchase an amount of Spinning Reserve Service equal to 50 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service when the scheduled generation is determined by the Transmission Provider to be the most-severe-single contingency of the Transmission Provider during

the period of time in which service is provided. The billing determinants for this service shall be reduced by any portion of the percent purchase obligation that a Transmission Customer obtains from third-parties or supplies itself.

2. **Compensation for Spinning Reserve Service:**

All Transmission Customers required to acquire Spinning Reserve Service shall pay a charge invoiced monthly equal to the amount set forth below.

Schedule 5 – Operating Reserve – Spinning Reserve Service

Service	Period	4.874% Purchase Requirement or 50% Purchase Requirement Rates
Hourly	On-Peak	$29.475/MWh
Hourly	Off-Peak	$13.997/MWh
Daily	Full	$0.337/kW-day
Weekly	Full	$2.358/kW-wk
Monthly	Full	$10.218/kW-mo
Yearly	Full	$122.617/kW-yr

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. The Transmission Provider must offer this service when the transmission service is used: (a) to serve load within its Control Area and (b) to support sales from generators located within its Control Area. The Transmission Customer must either purchase this service from the 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 Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

1. **Supplemental Reserve Service Requirements:**

The Transmission Customer may purchase Supplemental Reserve Service under this Tariff to satisfy its supplemental reserve obligations commensurate with the amount of Reserved Capacity purchased from the Transmission Provider. Specifically, the

Transmission Customer's total load within the Transmission Provider's Control Area shall not exceed the Transmission Customer's Reserved Capacity, and the Transmission Provider shall have no obligation to provide this service for any other loads of the Transmission Customer.

If supplemental reserves are provided by any party other than the Transmission Provider, sufficient transmission capacity shall be purchased to provide for the delivery of supplemental reserves under any credible single contingency.

The Transmission Customer shall identify in its Application the manner by which it intends to provide for supplemental reserves. The use of any resources owned by parties other than the Transmission Provider as supplemental reserve resources shall be subject to verification by the Transmission Provider, and such resources shall conform to applicable WECC and NERC criteria for supplemental reserves.

A Transmission Customer purchasing Supplemental Reserve Service will be required to purchase an amount of such service equal to 4.549 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service. However, a Transmission Customer shall purchase an amount of Supplemental Reserve Service equal to 50 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service when the scheduled generation is determined by the Transmission Provider to be the most-severe-single contingency of the Transmission Provider during the period of time in which service is provided. The billing determinants

for this service shall be reduced by any portion of the percent purchase obligation that a Transmission Customer obtains from third-parties or supplies itself.

2. **Compensation for Supplemental Reserve Service:**

All Transmission Customers required to acquire Supplemental Reserve Service shall pay a charge invoiced monthly equal to the amount set forth below.

Schedule 6 – Operating Reserve – Supplemental Reserve Service

Service	Period	4.874% Purchase Requirement or 50% Purchase Requirement Rates
Hourly	On-Peak	$6.707/MWh
Hourly	Off-Peak	$3.185/MWh
Daily	Full	$0.077/kW-day
Weekly	Full	$0.537/kW-wk
Monthly	Full	$2.325/kW-mo
Yearly	Full	$27.903/kW-yr

SCHEDULE 7

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

A. Rates: The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

1) **Yearly delivery**: one-twelfth of the demand charge of $35.234/kW of Reserved Capacity per year.
2) **Monthly delivery**: $2.936/kW of Reserved Capacity per month.
3) **Weekly delivery**: $0.678/kW of Reserved Capacity per week.
4) **Daily delivery**: $0.097/kW of Reserved Capacity per day.
5) **On-Peak Hourly delivery**: $8.470/MW of Reserved Capacity per hour.
6) **Off-Peak Hourly delivery**: $4.022/MW of Reserved Capacity per hour.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts or megawatts of Reserved Capacity in any day during such week. The basic charge for Hourly delivery shall not exceed the price per megawatts of Reserved Capacity per hour specified in sections (5) or (6) above during on-peak and off-peak hours, respectively. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (4) above for Daily delivery times the highest

amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (3) above for Weekly delivery times the highest amount in kilowatts of Reserved Capacity in any hour during such week. For purposes of Hourly Delivery under this Schedule 7, "on-peak" hours shall be hours ending 07:00 through 22:00 PPT, Monday through Saturday excluding holidays, and "off-peak" hours shall be all other hours.

B. Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the 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, the 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.

C. 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

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

1) **Monthly delivery**: $2.936/kW of Reserved Capacity per month.

2) **Weekly delivery**: $0.678/kW of Reserved Capacity per week.

3) **Daily delivery**: $0.097/kW of Reserved Capacity per day.

4) **On-Peak Hourly delivery**: $8.470/MW of Reserved Capacity per hour.

5) **Off-Peak Hourly delivery**: $4.022/MW of Reserved Capacity per hour.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week. The basic charge for Hourly delivery shall not exceed the price per megawatts of Reserved Capacity per hour specified in sections (4) or (5) above during on-peak and off-peak hours, respectively. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (4) or (5) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity

in any hour during such week. For purposes of Hourly Delivery under this Schedule 8, "on-peak" hours shall be hours ending 7:00 through 22:00 PPT, Monday through Saturday excluding holidays, and "off-peak" hours shall be all other hours.

B. Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the 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, the 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.

C. 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

This Schedule 9 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended. In accordance with Section 9 of Attachment O of this Tariff, Schedule 9A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended.

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the LADWP EIM Entity BAA that is not an LADWP EIM Participating Resource, and the resource component of the Transmission Customer Base Schedule from that generator to (1) a load external to the LADWP EIM Entity BAA or (2) a load within the LADWP EIM Entity BAA over a single hour. The 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 Control Area. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator.

The Transmission Provider shall establish charges for Generator Imbalance Service as follows (the following provisions do not apply to Transmission Customers

which have received a Manual Dispatch or EIM Available Balancing Capacity dispatch or which have communicated physical changes in the output of resources to the MO):

A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer's metered generation compared to the resource component of the Transmission Customer Base Schedule settled as UIE by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff.

The following provisions shall apply to Transmission Customers which have received a Manual Dispatch or EIM Available Balancing Capacity dispatch, or which have communicated physical changes in the output of resources to the MO or for other reasons imbalance energy is calculated by the MO:

(1) (a) A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer's metered generation compared to the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in the FMM or for other instructions by the MO, as UIE calculated by the MO for the period of the deviation at the applicable PNode RTD price where the

generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff; or

(b) A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer's metered generation compared to the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in RTD or for other instructions by the MO, as UIE calculated by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff;

and

(2) (a) A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of either the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in the FMM or for other instructions by the MO, compared to the resource component of the Transmission Customer Base Schedule, as IIE calculated by the MO for the period of the deviation at the applicable PNode FMM

price where the generator is located, as determined by the MO under Section 29.11(b)(1)(A)(ii) of the MO Tariff; or

(b) Generator Imbalance Service measured as the deviation of either the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in RTD or for other instructions by the MO, compared to the FMM schedule, as IIE calculated by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(2)(A)(ii) of the MO Tariff.

Applicability to Interconnection Customers: To the extent the Interconnection Customer is a different entity than the Transmission Customer and controls the output of a generator located in the Transmission Provider's Control Area, the Interconnection Customer may be subject to charges for Generator Imbalance Service (rather than the Transmission Customer) in accordance with this Schedule 9.

SCHEDULE 9A

Generator Imbalance Service when EIM Suspended

In accordance with Section 10 of Attachment O of this Tariff, this Schedule 9A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended. Schedule 9 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended.

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Provider's Control Area and a delivery schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider's Control Area over a single hour. An Interconnection Customer, as defined in Attachment M or N of the Tariff, as applicable, must pay imbalance charges in accordance with this Schedule. The 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 Control Area.

The Transmission Customer must either purchase this service from the 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 Control Area operator performs this

service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator. The 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 Transmission Provider shall charge for Generator Imbalance Service based on the deviation bands as follows:

(i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, using the Hourly Pricing Proxy;

(ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent the Hourly Pricing Proxy for under-scheduling or 90 percent of the Hourly Pricing Proxy for over-scheduling; and

(iii) deviations greater than +/- 7.5 percent (or greater than 10 MW) of

the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of the Hourly Pricing Proxy for under-scheduling or 75 percent of the Hourly Pricing Proxy for over-scheduling, except that an intermittent resource will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5 percent or 2 MW. An intermittent resource, for the limited purpose of this Schedule is an electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security constraints.

Hourly Pricing Proxy: For purposes of this Schedule, "Hourly Pricing Proxy" is defined as the average price for each hour of the delivered energy price at SP15 day-ahead Index. In the event the referenced index price is negative, the referenced index price shall be deemed to be zero dollars ($0). At the end of each month, the Transmission Provider shall calculate the Hourly Pricing Proxy using pricing information from Dow Jones, the California ISO or another authenticated source.

Notwithstanding the foregoing, deviations from scheduled transactions in order to respond to directives by the Transmission Provider, a Control Area, or a reliability coordinator shall not be subject to the deviation bands identified above and, instead, shall be settled financially, at the end of the month, at 100 percent of the Hourly Pricing Proxy.

Such directives may include instructions to correct frequency decay, respond to a reserve sharing event, or change output to relieve congestion.

SCHEDULE 10

Generator Regulation and Frequency Response Service

Generator 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). Generator 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/or by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in generation output. The obligation to maintain this balance between resources and the generator's schedule lies with the Transmission Provider (or the Control Area that performs this function for the Transmission Provider).

The Transmission Provider (or the Control Area that performs this function for the Transmission Provider) must offer this service when transmission service is used to deliver energy from a generator physically or electrically located within the Transmission Provider's Control Area. Generator Regulation and Frequency Response Service applies to the extent that a Transmission Customer is not already subject to Regulation and Frequency Response Service provided under Schedule 3 for the same Reserved Capacity. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-

generation resources or processes capable of providing this service, to satisfy its Generator Regulation and Frequency Response Service obligation.

The amount of and charges for Generator Regulation and Frequency Response Service are set forth below. To the extent a Control Area performs this service for the Transmission Provider, charges to the Transmission Customer or generator are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area. The Transmission Provider may not charge a Transmission Customer for service under both Schedule 3 and Schedule 10 for the same Reserved Capacity.

1. **Generator Regulation and Frequency Response Service Requirements**:

The Transmission Customer or generator shall identify in its Application the manner by which it intends to provide for Generator Regulation and Frequency Response Service. The use of any resources owned by parties other than the Transmission Provider shall conform to applicable the Western Electricity Coordinating Council (WECC) and the North American Electric Reliability Council (NERC) criteria.

A Transmission Customer or generator delivering energy outside of the Transmission Provider's Control Area from a dispatchable generation resource and purchasing Generator Regulation and Frequency Response Service will be required to purchase such service based on 1.885 percent of the maximum name plate capacity of the generator.

A Transmission Customer delivering energy from a non-dispatchable generating resource: (a) to load in the Transmission Provider's Control Area, or (b) outside of the Transmission Provider's Control Area, shall in each case purchase Generator Regulation and Frequency Response Service based on 6.627 percent of the maximum name plate capacity of the generator.

The billing determinants for this service shall be reduced by any portion of the purchase obligation that a Transmission Customer or generator obtains from third-parties or supplies itself.

2. Compensation to for Generator Regulation and Frequency Response Service:

All Transmission Customers required to acquire Generator Regulation and Frequency Response Service shall pay a charge invoiced monthly equal to the amount set forth below.

Schedule 10 – Generator Regulation and Frequency Response Service

Service	Period	1.885% Purchase Requirement (Note 1) Rates	6.627% Purchase Requirement (Note 1) Rates
Hourly	On-Peak	$18.019/MWh	$18.019/MWh
Hourly	Off-Peak	$8.557/MWh	$8.557/MWh
Daily	Full	$0.206/kW-day	$0.206/kW-day
Weekly	Full	$1.442/kW-wk	$1.442/kW-wk
Monthly	Full	$6.247/kW-mo	$6.247/kW-mo
Yearly	Full	$74.959/kW-yr	$74.959/kW-yr

Note 1: 1.885% Purchase Requirement applies when using a dispatchable generation resource. 6.627% Purchase Requirement applies when using a non-dispatchable generation resource.

SCHEDULE 11

Unreserved Use of Transmission Service

Subject to Attachment O, Section 8.7 of this Tariff, the Transmission Provider will impose an Unreserved Use charge and penalty in any circumstance where the 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 11, and in accordance with Section 13.4 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, the 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 and penalty. The Transmission Provider will calculate unreserved use penalties as follows:

1. The penalty for a single hour of Unreserved Use is two times the 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;
2. More than one Unreserved Use penalty assessment for service of a given duration will increase the penalty period to the next longest duration (e.g., hourly to daily, daily to weekly, weekly to monthly), with the penalty being two times the Transmission Provider's rate in effect at the time of the Unreserved Use for Firm

Point-To-Point Transmission Service for the applicable service duration; and

3. For the actual period of Unreserved Use, the Transmission Provider will charge the Eligible Customer for any ancillary services associated with the customer's Unreserved Use pursuant to the terms of Schedules 1, 2, 3, 4, 5, 6, 8, 9 and 10 of the Tariff.

SCHEDULE 12

Real Power Losses

This Schedule 12 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended. In accordance with Section 10 of Attachment O of this Tariff, Schedule 12A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended.

The Transmission Customer taking Network Integration Transmission Service, Firm Point-to-Point, or Non-Firm Point-to-Point Transmission Service, excluding Energy Imbalance Service and Generator Imbalance Service, shall reimburse the Transmission Provider for Real Power Losses as provided in Sections 15.7 and 28.5 of this Tariff. The Transmission Customer must financially settle for Real Power Losses by reimbursement as specified herein.

Settlement of Real Power Losses associated with Energy Imbalance Service shall be pursuant to Schedule 4 of this Tariff, and settlement of Real Power Losses associated with Generator Imbalance Service shall be pursuant to Schedule 9 of this Tariff. The procedures to determine the amount of Real Power Losses associated with a Transmission Customer's Base Schedule, as well as the reimbursement for Real Power Losses, are set forth below.

The amount of Real Power Losses assessed to a Transmission Customer in a given hour shall be the product of such Transmission Customer Base Schedule during the hour in MWhs and the applicable loss factor(s) provided in Sections 15.7 and 28.5.

The Transmission Customer shall compensate the Transmission Provider at a rate equal to the amount of Real Power Losses assessed to such Transmission Customer in a given hour multiplied by the hourly LAP price for the LADWP EIM Entity BAA in that hour as established by the MO under section 29.11 (b)(3)(C) of the MO Tariff.

SCHEDULE 12A

Real Power Losses when EIM Suspended

In accordance with Section 10 of Attachment O of this Tariff, this Schedule 12A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended. Schedule 12 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended.

Transmitting electricity at high voltage results in fractional energy lost due to resistance, which varies depending on voltage level and length of the transmission element. For any transmission service, there is an associated real power loss.

1. Loss Path

Transmission Customer acquiring Firm, or Non-Firm Point-to-Point Transmission Service or Network Integration Transmission Service shall reimburse Transmission Provider for Real Power Losses that result from transmitting electric energy across the Transmission Provider's Transmission System and such Real Power Losses will be assessed based on the Real Power Loss factor associated with the following paths:

a. Any path using the Pacific Direct Current Intertie or Intermountain Power Project Direct Current transmission line; or

b. Any path using the Palo Verde and Sylmar segments; or

c. Any path using alternating current segments.

2. Loss Settlement

Real Power Losses shall be the percentage identified in Section 15.7 and/or Section 28.5 of the Tariff, as applicable, multiplied by Transmission Customer's usage (measured in MWhs) as measured by the revenue-quality meter(s) installed at the Point(s) of Receipt during each hour less any curtailments, correction or adjustments mutually agreed on by Transmission Provider and Transmission Customer.

Transmission Customer shall compensate the Transmission Provider for each hour of service provided at a rate equal to the Hourly Pricing Proxy as defined in Schedule 4A or 9A.

ATTACHMENT A

Form Of Service Agreement For
Firm Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ ("Transmission Customer").

2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.

3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff. This section does not apply to Short-Term Transmission Agreements.

4.0 Service under this agreement shall commence on the later of (l) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

6.0 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:

_____

_____

_____

7.0 The Tariff is incorporated herein and made a part hereof.

8.0 For Long-Term Firm Point-to-Point Service, Transmission Customer has included the two-page form entitled *"Specifications For Long-Term Firm Point-To-Point Transmission Service"* and such form is made a part of this agreement.

9.0 The following provision applies, only if the contract term is two (2) years or more:

Automatic renewal option: This TSA will automatically renew for an additional term of two (2) years, unless either Party notifies the other party of the termination of this automatic renewal option on or before the date that is one (1) year prior the last day of the initial term of the TSA, and one (1) year prior to the last day of each subsequent term of the TSA thereafter.

10. If applicable (refer to Section 5.2 of the Tariff), Transmission Customer has attached the executed Governmental Use Certificate (refer to Attachment A-2 of the Tariff).

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

Transmission Provider:

By: _____ _____ _____
Name Title Date

Transmission Customer:

By: _____ _____ _____
Name Title Date

Specifications For Long-Term Firm Point-To-Point
Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

_____

3.0 Point(s) of Receipt:_____

Delivering Party:_____

4.0 Point(s) of Delivery:_____

Receiving Party:_____

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity):_____

6.0 Designation of party(ies) subject to reciprocal service obligation:_____
_____
_____
_____

7.0 Name(s) of any intervening systems providing transmission service:_____
_____

8.0 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.)

8.1 Transmission Charge:_____
_____

8.2 System Impact and/or Facilities Study Charge(s):
_____
_____

8.3 Direct Assignment Facilities Charge:_____
_____

8.4 Ancillary Services Charges: _____
_____
_____
_____
_____
_____
_____

ATTACHMENT A-1

Form Of Service Agreement
For The Resale, Assignment Or Transfer
Of Point-To-Point Transmission Service

An existing Transmission Customer in good standing may resell Point-to-Point Transmission Service ("Reseller") to another party ("Assignee"), which hereinafter may be referred to collectively as "Parties" and individually as "Party." Both Reseller and Assignee must execute this Form Of Service Agreement For The Resale, Assignment Or Transfer of Point-To-Point Transmission Service prior to the scheduling of any transmission service related hereto.

1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), _____ (the Reseller), and _____ (the Assignee).

2.0 Terms used herein with initial capitalization, whether in the singular or the plural, shall have the meanings specified in the Tariff and are hereby incorporated into this Service Agreement. Terms used herein, whether in the singular or the plural, which are not defined in the Tariff shall have the meanings set forth below:

2.1 Parent Reservation – an existing, confirmed reservation being modified by a Resale.

2.2 Resale – The request to convey scheduling rights associated with a reservation for Point-To-Point Transmission Service from a Reseller to an Assignee.

3.0 Transmission Provider shall provide Point-To-Point Transmission Service and Ancillary Services to the Assignee in accordance with Section 23 of the Tariff for each Resale transaction requested under this Service Agreement after each of the following conditions has been satisfied:

3.1 Assignee has entered into an agreement for Resale with Reseller;

3.2 Reseller has been determined by Transmission Provider to have submitted on Transmission Provider's OASIS a Completed Application;

3.3 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained and Reseller and Assignee have executed this Service Agreement;

3.4 Reseller has resold Point-To-Point Transmission Service (Parent Reservation) purchased on Transmission Provider's OASIS for which Transmission Provider is the primary provider and for which there is sufficient available capacity on the Parent Reservation for the requested duration. The transmission service being resold may not have been previously scheduled, redirected, resold or otherwise encumbered; and

3.5 The Resale Transaction must be confirmed on OASIS prior to scheduling the capacity.

4.0 Assignee agrees to supply information Transmission Provider deems reasonably necessary in accordance with the provisions of Parts I and II of the Tariff and this Service Agreement.

5.0 Once the Assignee has met the conditions in Section 3 of this Service Agreement, Transmission Provider agrees to provide and Assignee agrees to take Point-To-Point Transmission Service and Ancillary Services requested for a transaction in accordance with the terms and conditions of Parts I and II of the Transmission Provider's Tariff, except for those terms and conditions specifically agreed to by Transmission Provider and included herein. .

6.0 Assignee acknowledges that it may be required by Reseller to compensate Reseller for Real Power Losses for which Reseller has compensated Transmission Provider in accordance with Schedule 12.

7.0 Assignee acknowledges that it may be required by Reseller to compensate Reseller for penalties as are provided for in the Tariff.

8.0 Transmission Provider is not responsible for administering any financial arrangements between the Reseller and the Assignee, including without limitation, the payment of financial losses.

9.0 Reseller remains liable for any and all financial obligations and payments to

Transmission Provider under the original service agreement and Parent Reservation. Transmission Provider will not accept payment from an Assignee for a resale transaction on behalf of a Reseller.

10.0 Any request from Assignee to redirect must be made on the Transmission Provider's OASIS, list Transmission Provider as the Provider and Seller, and may be subject to additional charges or credits if accepted and confirmed.

11.0 Any Resale reservation is subject to displacement should the Parent Reservation be displaced by a higher priority request.

12.0 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.

13.0 If applicable (refer to Section 5.2 of the Tariff), Transmission Customer has attached the executed Governmental Use Certificate (refer to Attachment A-2 of the Tariff).

Transmission Provider:

_____

_____

_____

Assignee:

_____

_____

Reseller:

_____

_____

14.0 The Tariff is incorporated herein and made a part hereof.

For Resale or Assignment of Long-Term Firm Point-to-Point Service, Assignee has included the two-page form entitled *"Specifications For The Resale, Assignment Or Transfer of Long-Term Firm Point-To-Point Transmission Service"* and such form is made a part of this agreement.

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

Transmission Provider:

By:_____ _____ _____
Name Title Date

Assignee:

By:_____ _____ _____
Name Title Date

Reseller:

By:_____ _____ _____
Name Title Date

Specifications For The Resale, Assignment Or Transfer of
Long-Term Firm Point-To-Point Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

_____

3.0 Point(s) of Receipt:_____

Delivering Party:_____

4.0 Point(s) of Delivery:_____

Receiving Party:_____

5.0 Maximum amount of reassigned capacity: _____

6.0 Designation of party(ies) subject to reciprocal service obligation:_____
_____
_____
_____

7.0 Name(s) of any Intervening Systems providing transmission service:_____
_____

8.0 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.)

8.1 Transmission Charge:_____

_____

8.2 System Impact and/or Facilities Study Charge(s):

_____

_____

8.3 Direct Assignment Facilities Charge:_____

_____

8.4 Ancillary Services Charges: _____

_____

_____

_____

_____

_____

_____

9.0 Name of Reseller of the reassigned transmission capacity:

_____

Attachment A-2

FORM OF

GOVERNMENTAL PERSON USE CERTIFICATE

PURSUANT TO SECTION 5.2

In connection with the execution of any transmission service agreement (the "TSA") between the Los Angeles Department of Water and Power ("Transmission Provider") and [NAME of COUNTER PARTY] ("Eligible Customer"), relating to Transmission Service provided over certain transmission facilities described therein (the "Facilities"), Eligible Customer certifies, represents and agrees as follows:

Officer Signing. I am the duly [elected/appointed] [Title] of Eligible Customer, authorized to sign this Certificate.

Tax-Exempt Bonds. Eligible Customer understands that this Certificate relates to Facilities that were financed with tax-exempt bonds, Build America Bonds and/or Qualified Energy Conservation Bonds, issued by or on behalf of the Transmission Provider.

Governmental Status. The Eligible Customer is a municipal utility that is owned by a state (of the United States) or local governmental unit or a political subdivision or instrumentality thereof, or is itself a state (of the United States) or local governmental unit or a political subdivision or instrumentality thereof (a "Governmental Person").

Qualifying Use. Except as provided below, for the term of any TSA, including any renewal periods, the Eligible Customer will use the Facilities to transmit electricity only in connection with its retail electric system in providing electricity to its retail electric customers.

Short-term Uses. Any sale, assignment, transfer or lay-off in any manner of any service provided to the Eligible Customer under any TSA shall comply with the Tariff procedures for resale, assignment or transfer of service, including but not limited to Sections 5.2.5 and Section 23 of this Tariff.

Governmental Person Uses Permitted. In the event there is to be a sale, lay-off, or other transfer in any manner, of any service pursuant to any TSA, by the Eligible Customer, to another Governmental Person for a period of longer than 3 years, such may only be permitted if such other Governmental Person satisfies the requirements of Section 5.2 and executes a form of this Certificate.

Transfers to ISOs/RTOs. Eligible Customer may transfer its rights to Transmission Service on Transmission Provider's Facilities to the operational control of an Independent System Operator or Regional Transmission Organization, in which case execution of this Certificate shall not be required, subject to the reasonable but exclusive determination of Transmission Provider that such transfer would not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service. The terms applicable to such transfer shall provide for preservation of the tax-exempt status of financing instruments used to finance the Facilities. Eligible Customer shall provide to Transmission Provider assurance in the form of an unqualified opinion rendered by nationally-recognized bond counsel or similar documentation that is reasonably acceptable to Transmission Provider that transfer of operational control of Eligible Customer's rights to Transmission Service shall not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities.

Additional information. Eligible Customer agrees to immediately inform, in writing, Transmission Provider of any change regarding the foregoing certifications, representations and agreements and agrees that, if such change is reasonably likely, in the discretion of Transmission Provider, to adversely affect the tax-exempt status of the Transmission Providers bonds, Transmission Provider may terminate any TSA in accordance with Tariff Section 5.1, to the extent necessary to prevent such adverse impact.

SUBSCRIBED AND SWORN BEFORE A NOTARY PUBLIC

Dated:

by_____

[Name and title of senior management representative duly authorized to represent Eligible Customer]

ATTACHMENT B

Form Of Service Agreement For Non-Firm Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ (Transmission Customer).

2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.

3.0 Service under this Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer.

4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

6.0 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:

_____

_____

_____

7.0 The Tariff is incorporated herein and made a part hereof.

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

Transmission Provider:

By: _____ _____ _____
Name Title Date

Transmission Customer:

By: _____ _____ _____
Name Title Date

ATTACHMENT C

Methodology To Assess Available Transfer Capability

This Attachment C contains the Transmission Provider's methodology to assess Available Transfer Capability of the Transmission System. Transmission Provider posts its Available Transfer Capability Implementation Document (ATCID) on its OASIS.

1. Definitions

a. Available Transfer Capability (ATC)

ATC means the measure of the transfer capability remaining in the physical transmission network for further commercial activity over and above already committed uses. It is defined as Total Transfer Capability less Existing Transmission Commitments (including retail customer service), less a Capacity Benefit Margin, less a Transmission Reliability Margin, plus Postbacks, plus counterflows.

b. ATC Path

ATC Path means any combination of Point of Receipt and Point of Delivery for which ATC is calculated, and any Posted Path.

c. Capacity Benefit Margin (CBM)

CBM means the amount of firm transmission transfer capability preserved by the transmission provider for Load-Serving Entities (LSEs), whose loads are located on that Transmission Service Provider's system, to enable access by the LSEs to generation from interconnected systems to meet generation reliability requirements. Preservation of CBM for an LSE allows that entity to reduce its installed generating capacity below that which may otherwise have been necessary without interconnections to meet its generation reliability requirements. The transmission transfer capability preserved as CBM is intended to be used by the LSE only in times of emergency generation deficiencies. CBM_s is the CBM for the ATC Path that has been scheduled during that period.

d. Counterflows

Counterflows are adjustments to the Firm or Non-firm ATC on a path when there are Firm or Non-firm Transmission Service scheduled to flow in the opposite direction of the same path.

e. Existing Transmission Commitments (ETC)

ETC means committed uses of a Transmission Service Provider's Transmission system considered when determining ATC. The commitments can be firm (ETC_F) or non-firm (ETC_{NF}).

f. Operating Horizon

Operating Horizon means a specified number of hours extending past the end of the Scheduling Horizon.

g. Planning Horizon

Planning Horizon means a specified number of days extending past the end of the Operating Horizon.

h. Postbacks

Postbacks are changes to Firm or Non-firm ATC based on a change in status of a transmission service reservation or use of reserved capacity, or other conditions as specified by the Transmission Provider in the ATCID.

i. Load Serving Entity (LSE)

LSE means Secures energy and Transmission Service (and related Interconnected Operations Services) to serve the electrical demand and energy requirements of its end-use customers.

j. Scheduling Horizon

Scheduling Horizon means a specified number of hours extending past the current hour.

k. Total Transfer Capability (TTC)

TTC means the amount of electric power that can be moved or transferred reliably from one area to another area of the interconnected transmission systems by way of all transmission lines (or paths) between those areas under specified system conditions.

l. Transmission Reliability Margin (TRM)

TRM means the amount of transmission transfer capability necessary to provide reasonable assurance that the interconnected transmission network will be secure. TRM accounts for the inherent uncertainty in system conditions and the need for operating flexibility to ensure reliable system operation as system conditions change. TRM_U is the TRM for the ATC Path that has not been released for sale (unreleased) as non-firm capacity by the Transmission Provider during that period.

2. Determination of ATC

a. Rated System Path Methodology

Transmission Provider uses the Rated System Path Methodology to calculate ATC. The currently effective version of NERC Reliability Standard MOD-029 ("Rated System Path Methodology") shall apply to calculate TTCs and ATCs for ATC Paths.

b. Description of the Mathematical Algorithms Used to Calculate Firm and Non-Firm ATC

To determine firm and non-firm ATC, the Transmission Provider uses the following algorithms for the Scheduling Horizon, Operating Horizon and Planning Horizon.

The equation to calculate firm ATC is:

$$\mathbf{ATC_F = TTC - ETC_F - CBM - TRM + Postbacks_F + Counterflows_F.}$$

The equation to calculate non-firm ATC is:

$$\mathbf{ATC_{NF} = TTC - ETC_F - ETC_{NF} - CBM^s - TRM_u + Postbacks_{NF} + Counterflows_{NF}.}$$

c. Specific Mathematical Algorithms Used to Calculate Firm and Non-Firm ATC

The specific mathematical algorithms used to calculate firm and non-firm ATC are located on LADWP's OASIS website at:

https://www.oasis.oati.com/LDWP/LDWPdocs/ATC_Algorithms.pdf.

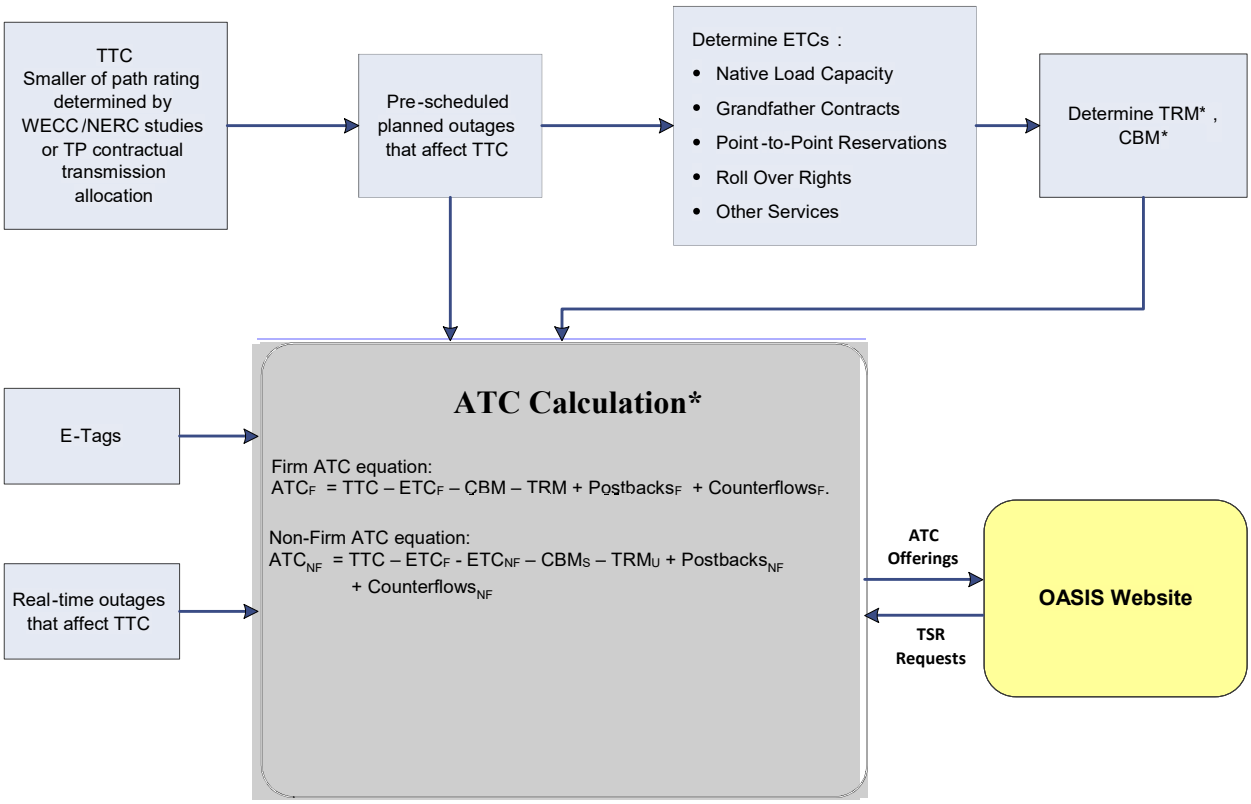
d. OASIS

The Transmission Provider's OASIS is provided by Open Access Technology International, Inc. (OATI) and is located at

https://www.oasis.oati.com/ldwp/

3. Process Flow Diagram

The process Transmission Provider uses to calculate ATC is illustrated as follows:



* Transmission Provider does not use TRM or CBM but may use them in the future.

4. Determination of TTC

a. Calculation Methodology

The currently effective version of NERC Reliability Standard MOD-029 ("Rated System Path Methodology") is used to calculate TTCs for ATC Paths.

The TTC posted is the LADWP ownership or contractual share of the line capacity.

Transmission Provider models its system in segments. A segment or a path can be one or more lines in parallel. A posted path usually consists of one or more segments in series. For a posted path with multiple segments, the segment with the most limiting capacity will determine the TTC for the posted path.

TTC for Transmission Provider's internal paths are mostly flow-limited, so the TTC is determined by thermal rating.

b. **Databases used in TTC Assessments**

Transmission Provider uses the applicable WECC developed system seasonal power operating flow base cases.

c. Assumptions Used in TTC Assessments

The assumptions that LADWP uses in its TTC assessments, including load levels, generation dispatch, and modeling of planned and contingency outages, are set out in Requirement R2 of the currently effective version of NERC Reliability Standard MOD-029 ("Rated System Path Methodology"). The load and generation in the applicable WECC seasonal operating base case are adjusted to maximize transfers for the path under study.

5. Determination of ETC

a. **Calculation Methodology**

Transmission Provider uses the following algorithms for Scheduling Horizon, Operating Horizon and Planning Horizon to calculate Firm and Non-Firm Existing Transmission Commitments, as provided in R5 and R6 of MOD-029-1a, respectively.

The equation to calculate firm ETC is:

$$\mathbf{ETC_F = NL_F + NITS_F + GF_F + PTP_F + ROR_F + OS_F}$$

Where:

$\mathbf{NL_F}$ is the firm capacity set aside to serve peak Native Load forecast commitments for the time period being calculated, to include losses, and Native Load growth, not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

$\mathbf{NITS_F}$ is the firm capacity reserved for Network Integration Transmission Service serving load, to include losses, and load growth, not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

$\mathbf{GF_F}$ is the firm capacity set aside for grandfathered Transmission Service and contracts for energy and/or Transmission Service, where executed prior to the effective date of Transmission Provider's Open Access Transmission Tariff or "safe harbor tariff."

$\mathbf{PTP_F}$ is the firm capacity reserved for confirmed Point-to-Point Transmission Service.

ROR_F is the firm capacity reserved for Roll-over rights for contracts granting Transmission Customers the right of first refusal to take or continue to take Transmission Service when the Transmission Customer's Transmission Service contract expires or is eligible for renewal.

OS_F is the firm capacity reserved for any other service(s), contract(s), or agreement(s) not specified above using Firm Transmission Service as specified in the ATCID.

The equation to calculate non-firm ETC is:

$$\mathbf{ETC_{NF} = NL_{NF} + NITS_{NF} + GF_{NF} + PTP_{NF} + ROR_{NF} + OS_{NF}}$$

Where:

NL_{NF} is the non-firm capacity set aside to serve peak Native Load forecast commitments for the time period being calculated, to include losses, and Native Load growth, not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

$NITS_{NF}$ is the non-firm capacity set aside for Network Integration Transmission Service serving load (i.e., secondary network service), to include losses, and load growth not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

GF_{NF} is the non-firm capacity set aside for grandfathered Transmission Service and contracts for energy and/or Transmission Service, where executed prior to the effective date of Transmission Provider's Open Access Transmission Tariff or "safe harbor tariff."

ROR_{NF} is the non-firm capacity reserved for Roll-over rights for contracts granting Transmission Customers the right of first refusal to take or continue to take Transmission Service when the Transmission Customer's Transmission Service contract expires or is eligible for renewal.

PTP_{NF} is non-firm capacity reserved for confirmed Point-to-Point Transmission Service.

OS_{NF} is the non-firm capacity reserved for any other service(s), contract(s), or agreement(s) not specified above using non-firm transmission service as specified in the ATCID.

b. Transmission Capacity Set Aside for Native Load Customers and Network Load

Capacity is necessary to meet the forecast load of Native Load Customers and Network Load (including transmission capacity for designated resources or new resources that are needed for load growth or to replace existing resources). As required by the OATT, Transmission Provider on behalf of its Native Load Customers and each Network Customer on behalf of its Network Load submit to the Transmission Provider updates to the capacity needed for load and resources, annually and in the event of a material change. Additional periodic update of load and resources within the year may be required as described in the transmission provider's business practices.

c. Incorporation of Point-to-Point Transmission Service Requests

Existing, confirmed requests for Point-to-Point Transmission Service are modeled using the specified megawatt quantity, Point(s) of Receipt, and Point(s) of Delivery.

d. **Accounting for Rollover Rights**

Transmission Provider, in the absence a Transmission Customer providing notice to terminate rights, assumes that a Transmission Customer will exercise rollover for existing long-term Transmission rights. To account for this assumption, transmission in the amount of the confirmed transmission service request is set aside. If a Transmission Customer does not exercise its rollover right, that amount may be removed from ETC.

e. Process for Ensure that Non-Firm Capacity is Released Properly

In the scheduling horizon, reserved capacity that is not scheduled will be posted back as non-firm ATC. This Postback occurs automatically based on the tags or schedules submitted which are compared against transmission reservations and existing commitments.

6. AFC Methodology

Transmission Provider does not currently use a flowgate methodology to calculate ATC.

7. **Determination of TRM**

Transmission Provider does not use TRM but may use TRM in the future.

8. Determination of CBM

Transmission Provider does not use CBM but may CBM in the future.

ATTACHMENT D

Methodology for Completing a System Impact Study and Form Agreement

1. Methodology

The Transmission Provider will perform studies, when necessary, that assess whether sufficient transfer capacity is available to provide a requested Transmission Service. Transmission Provider will exercise the same due diligence in performing a System Impact Study for a Transmission Customer as it would for its own use of the system. Transmission Provider will follow Attachment C to this Tariff, reliability principles, standards, and procedures of Western Electricity Coordinating Council (WECC) and the North American Electric Reliability Corporation (NERC) or their successors, in addition to Transmission Provider planning criteria.

In determining the level of capacity available for new Transmission Service requests, the Transmission Provider may exclude from capacity to be made available for new Transmission Service requests, that capacity needed to meet current and reasonably forecasted demand of Native Load Customers, customers with existing firm contracts and potential customers having pending valid requests for firm transmission under this Tariff.

Factors to be considered in determining the capacity availability on the transmission system will include but not be limited to:

(1) Steady state power flow study results;
(2) Stability study results;
(3) WECC, NERC, and LADWP's system design criteria;
(4) Transmission capacity of the existing system;
(5) Transmission capacity of the system after the request is added;
(6) Reliability requirements of LADWP and applicant;
(7) Type and terms of the service requested;
(8) Capacity needed to meet current and 10-year forecasted load of Native Load Customers and Network Customers' loads; and
(9) Capacity needed to meet contractual obligations that are expected before the requested Transmission Service begins.

2. Form of System Impact Study Agreement

Transmission Provider shall utilize the form of System Impact Study Agreement set forthbelow:

SYSTEM IMPACT STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of_____, 20__ by and between **[insert Transmission Customer]**, existing under the laws of _____, sometimes hereinafter referred to as ("Eligible Customer") 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 ("Transmission Provider "). Eligible Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Eligible Customer has submitted a Completed Application (the "Application") for Firm Point-To-Point Transmission Service pursuant to Section 17.2 of the Open Access Transmission Tariff ("Tariff") for the Transmission Provider (as may be supplemented, modified, or replaced);

WHEREAS, Eligible Customer has requested **[insert]** MW of Firm Point-To- Point Transmission Service from **[insert]**, under Request No. **[insert]**, to commence on **[insert]** and end on **[insert]**.

WHEREAS, Eligible Customer has received notice from the Transmission Provider that a System Impact Study is necessary to accommodate the service requested in the Application; and

WHEREAS, the Transmission Provider must cause the preparation of a System Impact Study to assess the adequacy of the Transmission System and any other affected systems to accommodate the Application.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

ARTICLE 1. DEFINITIONS

1. The terms used in this Agreement with initial capitalization shall have the meanings specified in the Tariff.

ARTICLE 2. TERMINATION

2.1 Effective Date. This Agreement shall become effective on the date on which this Agreement is made and fully executed by the Parties ("Effective Date").

2.2 Term. This Agreement shall become effective as provided in Section 2.1 of this Agreement and shall continue in full force and effect until the earlier of (i) the Parties agree to mutually terminate this Agreement, (ii) One year after the Effective Date; or (iii) earlier termination as provided for under this Agreement.

2.3 Termination for Breach. A Party may terminate this Agreement upon thirty (30) days advance notice to the other Parties of a breach by a Party to this Agreement; provided that, the terminating Party notified the breaching Party in writing of the alleged breach and the breaching Party failed to cure such breach within fifteen (15) businessdays after the date of said notice and further provided that such terminating Party complies with any and all applicable laws, rules and regulations relating to such termination.

2.4 Termination or Withdrawal. Any request to terminate or withdraw from a study shall be deemed as a withdrawal of the Application in accordance with Section 19 of the Tariff.

2.5 Liability on Termination. Eligible Customer shall remain liable to the Transmission Provider for costs of the System Impact Study already incurred, costs of the System Impact Study that cannot be reasonably avoided and any costs associated with terminating the System Impact Study.

ARTICLE 3. STUDY

3.1 Study. The Transmission Provider shall cause a System Impact Study to be performed in accordance with the applicable provisions of the Tariff. The Transmission Provider shall rely on existing transmission planning studies as provided in the Tariff. Allterms and conditions of the Tariff are incorporated herein by reference.

3.2 Scope. The scope of the System Impact Study shall be as set forth in the Tariff and shall be subject to the data and other information provided in the Application and any additional information, assumptions or methodology set forth in Attachment D of the Tariff. Eligible Customer shall review the data and information that it has provided to the Transmission Provider and provide updated data and information as necessary. The Transmission Provider will advise Eligible Customer of additional information as may be

reasonably deemed necessary by the Transmission Provider to complete the System Impact Study and Eligible Customer shall promptly submit the additional information. Such additional information shall be obtained only if required by Good Utility Practice and shall be subject to the consent of Eligible Customer, not to be unreasonably withheld, conditional or delayed.

3.3 Report. The final report of the System Impact Study shall identify the following information:

3.3.1 Any system constraints due to thermal overload, voltage limit violations, or instability or inadequately damped response to system disturbances resulting from the service requested by the Application.

3.3.2 A preliminary estimate of the scope of any Direct Assignment Facilities or Network Upgrades required to accommodate the Application.

3.3.3 Together with a copy of the final report, the related work papers shall be made available to the Eligible Customer.

3.4 Coordination. The Transmission Provider will coordinate the System Impact Study with any affected Transmission Provider, and with any Regional Transmission Organizations ("RTO") or Independent System Organization ("ISO"). If the required study coordination effort increases the expected study scope, study costs or delays the expected completion date, the Transmission Provider will inform the Eligible Customer. Eligible Customer acknowledges and agrees that Transmission Provider will provide all Confidential Information and/or study data that is reasonably needed by any Transmission Provider, RTO or ISO participating in the System Impact Study and toother parties as may be required by the Tariff or applicable federal, state or local law, ruleor regulation.

3.5 Estimated Time. The estimated time for completion of the System Impact Study is sixty (60) days. The Transmission Provider shall use due diligence to complete the System Impact Study within the estimated time. If Transmission Provider is unable to complete the System Impact Study within the time period, it shall notify the Transmission Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.

3.6 Representative. Eligible Customer shall appoint and make available to the Transmission Provider a designated and authorized representative through which the

Transmission Provider can coordinate work pertaining to the System Impact Study.

ARTICLE 4. COSTS AND PAYMENT

4.1 Estimated Cost. The estimated cost for performance of the System Impact Study is **[[insert dollar amount]]**. The estimated cost is the Transmission Provider's good faith estimate of the costs to perform the System Impact Study. The estimated cost does not include any costs incurred by other Transmission Providers, RTOs or ISOs.

4.2 Reimbursement. Eligible Customer shall reimburse the Transmission Provider in full for performing the System Impact Study. Eligible Customer shall also reimburse any Transmission Provider, RTO or ISO in full for performing any work related to the System Impact Study, either directly or through payment to the Transmission Provider. These reimbursements shall include payment for all actual costs of the System Impact Study. As provided in the Tariff, Eligible Customer shall not be charged for existing transmission planning studies, but will be responsible for charges associated with modifications to the existing transmission planning studies that are reasonable necessary to evaluate the impact of the Application.

4.3 Deposit and Payment. The Eligible Customer shall submit with this System Impact Study Agreement a deposit in the amount of $50,000.00 (the "Deposit"). The Deposit will be applied toward the costs of the System Impact Study to be reimbursed by the Eligible Customer pursuant to Paragraph 4.2 of this Agreement. Eligible Customer shall prepay the costs of any study, analysis and review work performed by or on behalf of the Transmission Provider or, as applicable, any affected Transmission Provider, RTO or ISO, to the extent such costs exceed the Deposit. The Transmission Provider shall refund to the Eligible Customer any portion of the Deposit that exceeds the amount of the coststo be reimbursed pursuant to Paragraph 4.2. The Transmission Provider shall invoice the Eligible Customer, from time to time, for the amount(s) by which costs to be reimbursed pursuant to Paragraph 4.2 exceed the amount of the Deposit and any prepayments. The Eligible Customer shall pay any such invoice within thirty (30) days of receipt.

ARTICLE 5. MISCELLANEOUS PROVISIONS

5.1 Indemnification. The Eligible Customer shall at all times indemnify, defend, and hold harmless the Transmission Provider, its officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and

costs of experts and consultants), or losses of any kind or nature whatsoever including, without limitation, business interruption, death, bodily injury or personal injury to any person, damage or destruction or loss of use to or of any property (financial, physical, or intellectual) by or to third parties (collectively "Losses") arising by reason of or incident to or directly or indirectly related to Transmission Provider performing or causing to be performed the System Impact Study in whole or in part under this Agreement on behalf of the Eligible Customer, except in cases of gross negligence or intentional wrongdoing by the Transmission Provider.

5.2 Accuracy of Information. The Eligible Customer represents and warrants that, to the best of its knowledge and in accordance with Good Utility Practice, the information that it provides to the Transmission Provider in connection with this System Impact Study Agreement and the System Impact Study is accurate and complete. The Eligible Customer acknowledges and accepts that it has a continuing obligation under this System Impact Study Agreement to promptly provide the Transmission Provider with any additional information required to update the information previously provided within no less than forty-eight (48) hours.

5.3 Disclaimer of Warranty; Limitation of Liability and Release. In performing or causing the System Impact Study to be performed, the Transmission Provider may rely on the information provided by the Eligible Customer and third parties, which Transmission Provider may not have any control over the veracity or accuracy of such information. For data, information and other studies submitted by the Eligible Customer or obtained from third parties or industry sources,

TRANSMISSION PROVIDER HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE ELECTRIC INDUSTRY, OR OTHERWISE, INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. FURTHERMORE, TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO ELIGIBLE CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHERSUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO ELIGIBLE CUSTOMER.

ELIGIBLE CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIACIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THIS RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLYAFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, ELIGIBLE CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

Upon execution of this System Impact Study Agreement, the Eligible Customer acknowledges and accepts that it has not relied on any representations or warranties not specifically set forth herein.

5.4 Representations and Warranties. The Eligible Customer represents and warrants that it is free to enter into this Agreement and to perform each of the terms and covenants of it. The Eligible Customer represents and warrants that it has undertaken or will cooperate with Transmission Provider in undertaking any environmental review required for its proposed project, including but not limited to the California Environmental QualityAct (CEQA) as amended and stated within Cal. Pub. Res. Code §§ 21000-21178 or any successor statute; provided however, Transmission Provider's undertaking and completion of the System Impact Study, or issuance of a system impact study report,shall neither be construed as a guarantee of an agreement nor an approval of theproposed project. The Eligible Customer further represents and warrants it is not restricted or prohibited contractually or otherwise, from entering into and performing this agreement, and that the execution and performance of this Agreement by Eligible Customer will not constitute a violation or breach of any other agreement between it and any other person or entity.

5.5 Force Majeure. If a Force Majeure Event prevents the Transmission Provider from fulfilling any obligations under this System Impact Study Agreement, Transmission Provider shall promptly notify the Eligible Customer in writing, and shall suspend or

modify its performance under said agreement until the Force Majeure Event, to the extent that the effect of the Force Majeure Event cannot be mitigated by use of Good Utility Practice or commercially reasonable efforts. For purposes of this System Impact Study Agreement, a "Force Majeure Event" means any event or circumstance caused by reason of Force Majeure that prevents or delays Transmission Provider's performance under this Agreement which (a) is beyond the reasonable control of the Transmission Provider and (b) was unable to be prevented or provided against by exercising Good Utility Practice or commercially reasonable efforts. In the event that the Transmission Provider suspended its performance, it shall resume its obligations under this System Impact Study Agreement as soon as reasonably possible upon resolution of the Force Majeure Event.In the event that the Parties mutually agree to modify Transmission Provider's performance as a result of the Force Majeure Event, this System Impact Study Agreement shall be modified in accordance with Section 5.12 herein.

5.6 Assignment. This System Impact Study Agreement shall not be assigned, conveyed or transferred to any third party without the written consent of both Parties.

5.7 Governing Law. This Agreement was made and entered into in the City of Los Angeles and 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.

5.8 Venue. All litigation arising out of, or relating to this System Impact Study Agreement, shall be brought in a court of competent jurisdiction located in Los Angeles County, 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.*

5.9 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this System Impact Study Agreement, orwith respect to any other matter arising in connection with said agreement, shall not be deemed a waiver with respect to any subsequent default or other mater arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

5.10 Binding Effect. This System Impact Study Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors or assigns, subject to Sections 4.3 of the LGIP.

5.11 Attorney Fees and Costs. Both Parties agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorney fees and costs.

5.12 Entire Agreement. This System Impact Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This Agreement may be amended only by a written document signed by 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.

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

By: _____

Title: _____

Date: _____

[INSERT TRANSMISSION CUSTOMER]

By: _____

Title: _____

Date: _____

ATTACHMENT E

Index of Point-To-Point Transmission Service Customers

A list of LADWP Point-To-Point Transmission Service Customers can be found when you log on to the OATI OASIS WestTrans website located at:

https://www.oasis.oati.com.

ATTACHMENT F

Form of Service Agreement for
Network Integration Transmission Service

Service Agreement For
Network Integration Transmission Service

1. This Service Agreement, dated as of _____, is entered into by and between the City of Los Angeles Department of Water and Power ("LADWP" or "Transmission Provider"), and_____("Transmission Customer"), and shall become effective on the date of its execution.

2. Transmission Customer has been determined by Transmission Provider to have a Completed Application for Network Integration Transmission Service under Part III of this Tariff and has provided the Transmission Provider an Application Deposit in the amount of $_____ in accordance with Section 29.2 of the Tariff.

3. Transmission Customer shall execute a Network Operating Agreement with LADWP in accordance with Section 35.2 of the Tariff prior to commencement of transmission service hereunder.

4. In accordance with Section 2 of the Tariff, the maximum term for Network Integration Transmission Service, including all renewals granted, shall be limited to three years, unless:

4.1 In the exclusive determination of Transmission Provider, the Eligible Customer has satisfied the requirements of the Governmental Person Use Certification and the requirements of Section 5.2 of the Tariff, in which case the maximum term shall be specified in the Service Agreement for Network Integration Transmission Service; or

4.2 The Transmission Provider and a firm Network Integration Transmission Service customer with a contract term of two (2) years or more have mutually agreed to add the automatic renewal option set forth in Section 2.2.2 of the Tariff to the initial Service Agreement for Network Integration Transmission Service.

5. Service under this Service Agreement shall commence on (A) the later of (1) _____ or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as mutually agreed upon, and (B) the date that Network Customer and the Transmission Provider have completed all necessary technical arrangements in accordance with the provisions of Sections 29.3 and 29.4 of the Tarff. Service under this Service Agreement shall terminate on _____.

6. If at any time during the term of this Service Agreement the Transmission Provider finds that the Transmission Customer fails to meet the credit requirements of Section 11 and Attachment L to the Tariff as they may be amended, the Transmission Customer shall provide any additional forms of security as required by Attachment L.

7. Transmission Provider shall provide and Transmission Customer shall take and pay for Network Integration Transmission Service in accordance with the provisions of Part III of the Tariff, this Service Agreement, and the Network Operating Agreement, as they may be amended from time to time. Exhibit 1 to this Service Agreement lists initial Network Resources, Network Loads, points of interconnection between Transmission Customer's facilities and Transmission Provider's Transmission System, and Transmission Customer's initial Load Ratio Share.

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

Transmission Provider:

_____

_____

_____

Network Customer:

_____

_____

_____

9. The Tariff specifications for Network Integration Transmission Service, and the Network Operating Agreement are incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective officials.

City of Los Angeles Department of Water and Power:

By: _____

Title: _____

Date:

Network Customer:

By: _____

Title: _____

Date:

ATTACHMENT F, EXHIBIT 1

SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE

1.0 This Service Agreement, dated as of _____, is entered into, by and between LADWP ("Transmission Provider"), and _____ ("Network Customer").

2.0 Term of Network Integration Transmission Service:

Start Date:_____
Termination Date:_____

3.0 Description of capacity and/or energy to be transmitted by Transmission Provider across the Transmission Provider's Transmission System (including electric control area in which the transaction originates). MWs of the eligible retail customer or authorized agency's requirements may originate from firm resources located outside of the Transmission Provider's Transmission System and will be transmitted across the Transmission Provider's Transmission System subject to point-to-point transmission service from the Point(s) of Receipt listed below. The remaining MWs of the eligible customer or authorized agency requirements (Network Load plus Losses) will originate from inside the Transmission Provider's Transmission System as designated below. Non-firm energy will be transmitted on an as available basis when requested by the eligible customer or authorized agency:

_____
_____
_____

4.0 Network Resources:

4.1 Transmission Customer Generation Owned:

Resource	Directly interconnected with Transmission System? Y/N	Total Capacity	Capacity Designated as Network Resource

4.2 Transmission Customer Generation Purchased:

Source	Total Capacity

4.3 Total Network Resources: (1) + (2) = _____

5.0 Transmission Load

Eligible customer's Network Load: Eligible Customer's Network Load measured at the Point(s) of Delivery listed below is its full load requirement as it changes from time to time, including load growth. Eligible Customer's most recent coincident peak load measured at Point(s) of Delivery and adjusted for distribution and transmission losses as appropriate is ___ MW.

5.1 Network Customer's Network Load:

Network Load	Points of Delivery	Delivery Transmission Voltage Level	MW or % of Load

5.2 Total Network Load =

6.0 Designation of party(ies) subject to reciprocal service obligation:

_____

7.0 Name of any intervening systems providing transmission service:

_____

_____

_____

8.0 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.)

8.1 Load Ratio Share of Annual Transmission Revenue Requirement.

8.1.1 For the first twelve months of service under this Service Agreement commencing on the Start Date set forth in Section 1 of the Specifications, Transmission Customer's Load Ratio Share will be determined based on Transmission Customer's average Load Ratio Share in the months in which Transmission Customer has taken service. After the first twelve months of service, Load Ratio Share will be calculated on a rolling twelve-month average basis.

8.2 System Impact and/or Facilities Study Charge(s): _____

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services:

8.4.1 Scheduling System, Control and Dispatch Service: _____

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

8.4.3 Regulation and Frequency Response Service: _____

8.4.4 Energy Imbalance Service: _____

8.4.5 Operating Reserve - Spinning Reserve Service:_____

8.4.6 Operating Reserve - Supplemental Reserve Service: _____

8.5 Redispatch Charges: _____
8.6 Power Factor Requirements:_____

Transmission Provider:

By: _____ _____
Name, Title, Date

Network Customer:

By:_____ _____
Name, Title, Date

ATTACHMENT G

Form of Operating Agreement for Network Integration Transmission Service

Network Operating Agreement

1. Parties

This Network Operating Agreement ("Agreement" or "Operating Agreement") is entered into by and between the City of Los Angeles on behalf of its Department of Water and Power ("LADWP" or "Transmission Provider"), and _____ ("Network Customer"), which hereinafter may be referred to collectively as "Parties" and individually as "Party."

2. Recitals

2.1 The Network Customer has executed a Service Agreement for Network Integration Transmission Service ("Service Agreement") with LADWP; and

2.2 LADWP and the Network Customer desire to enter into this Operating Agreement to specify (i) the terms and conditions under which the Network Customer will operate its facilities that interconnect with LADWP's Transmission Facilities and (ii) the technical and operational matters associated with implementation of Network Integration Transmission Service in accordance with the Tariff.

NOW, THEREFORE, in consideration of the promises, covenants, and conditions contained in this Agreement, the Parties agree as follows:

3. Effective Date and Term of Service

3.1 This Operating Agreement shall become effective upon execution by both Parties and shall terminate upon the termination of the Service Agreement between LADWP and the Network Customer.

3.2 This Agreement is entered into in implementation of Network Integration Transmission Service in accordance with the Tariff and the Service Agreement. This Agreement shall neither amend nor supersede the Tariff or Service Agreement. All terms and conditions of the Tariff and the Service Agreement related to Network Integration Transmission Service are incorporated herein by this reference. In the event of any conflict between the terms of the Tariff and the terms of this Agreement, the terms of the Tariff shall govern.

4. Definitions

Terms used herein with initial capitalization, whether in the singular or the plural, shall have the meanings specified in the Tariff and are hereby incorporated into this Operating Agreement. Terms used herein, whether in the singular or the plural, which are not defined in the Tariff shall have the following meanings:

4.1 **Transmission Reduction Plan**: A plan provided by the Network Customer to the Transmission Provider which directs the systematic adjustment of the network transmission capacity for the Network Customer or the Eligible Customer, to match the Network Customer's available Network Resources in order to maintain system reliability.

4.2 When the terms **Load Responsibility**, **Regulating Margin**, **Most Severe Single Contingency** (MSSC), **Non-Spinning Reserves**, **Operating Reserves**, and **Spinning Reserves** are used herein, the WECC definitions of those terms apply.

5. Metering and Communication Equipment

5.1 The Transmission Provider shall install, own, and maintain revenue quality meters at each point of interconnection between the Transmission Provider's Transmission System and the Network Customer's Network Load and Network Resources. If feasible, such meters shall be installed at the high voltage bus at each point of interconnection of the Transmission Provider's Transmission System with the Network Customer's Network Load and with any Network Resources directly connected to the Transmission Provider's Transmission System. The meters shall measure and record both real power (watts) and reactive power (vars) flow, if applicable, in both directions. Meters not installed at the high voltage bus or at the point of interconnection shall be compensated for line losses and transformation losses to the point of interconnection, if applicable.

5.1.1 The Transmission Provider shall read or retrieve meter data at midnight (Pacific Time) on the last day of each calendar month or such other time as may be required to carry out the provisions of the Tariff. The Transmission Provider shall use the meter data for determining energy imbalances, accounting, and billing.

5.1.2 The revenue meters shall be tested by the Transmission Provider at least once a year and within ten (10) Working Days after a request by the

Network Customer. The Network Customer shall pay for the cost of the requested test if the meter has been tested within the previous twelve months. The Network Customer will be afforded the opportunity to be present during any meter test. The Transmission Provider shall promptly repair, adjust, or replace any meter or associated equipment found to be defective or inaccurate.

5.1.3 The Transmission Provider shall adjust the recorded data to compensate for the effect of an inaccurate meter. Such adjustment shall be made for a maximum period of thirty days prior to the date of the test or for the period during which such inaccuracy may be determined to have existed, whichever period is shorter. No adjustment prior to the beginning of the next preceding month shall be made except by agreement of the Parties. Should any meter fail to register, the Transmission Provider shall estimate, from the best information available, the demand created, energy flow, and var flows during the period of the failure. The Transmission Provider shall, as soon as possible, correct the Network Customer's bills affected by the inaccurate meter. That correction, when made, shall constitute full adjustment of any claim arising out of the inaccurate meter for the period of the correction.

5.2 The Network Customer and the Transmission Provider shall install communications facilities, equipment, and software to schedule and monitor Network Load and any directly connected Network Resources, to exchange data, and for any other purpose as reasonably required to implement this Agreement, the Service Agreement, and the Tariff in accordance with Good Utility Practice. Such installation shall be at the Network Customer's expense.

5.3 All metering, communications, and data exchanges required to implement this Agreement, the Service Agreement, and the Tariff shall be automated to the greatest extent practical. The Network Operating Committee shall coordinate standards and specifications for metering and communications equipment as well as any related hardware and software required to implement this Agreement, the Service Agreement, and the Tariff, provided such metering and communications equipment and any related hardware and software shall, if possible, be compatible with the Transmission Provider's existing or planned facilities or software, meet all applicable WECC and NERC standards and regional criteria , and be consistent with Good Utility Practice.

5.4 The Network Customer shall procure, install and maintain, at its sole expense, all metering for its Network Resources directly connected to its system, and any communications equipment, and any related hardware and software required to be installed on its system or on the system of the Eligible Customer it serves, in accordance with this Section 5. The Network Customer shall reimburse the Transmission Provider for all expenses incurred by the Transmission Provider for any metering and communications equipment, and related hardware and software, including any modifications to existing facilities or software required for the Transmission Provider to provide Network Integration Transmission Service in accordance with this Agreement, the Service Agreement, and the Tariff.

6. Qualifications For Network Resources

All designated Network Resources directly interconnected to the Transmission Provider's Transmission System shall be capable of performing in accordance with applicable NERC and WECC standards and regional criteria and Good Utility Practice. If the Network Customer elects to provide any Ancillary Services using its Network Resources, the Parties shall agree upon any communications, control, protection or other equipment required in accordance with applicable NERC and WECC criteria and Good Utility Practice to be installed on the system of the Network Customer or the Eligible Customer receiving service, as applicable, or the Transmission Provider's system in order for the Network Customer to provide such Ancillary Services. Any equipment or facilities required for the Network Customer to provide such Ancillary Services shall be procured, installed, and maintained at the Network Customer's sole expense

7. Interconnection of Network Resources or Transmission Facilities

7.1 The Network Customer shall interconnect its Network Resources, if applicable, and its own transmission facilities with the Transmission Provider's Transmission System in accordance with all applicable WECC and NERC standards and regional criteria and Good Utility Practice. The facilities and procedures required for such interconnection(s) shall be consistent with applicable NERC and WECC standards and regional criteria, this Agreement, the Tariff, and Good Utility Practice.

7.2 The Network Customer, at its sole expense, shall procure, install, and maintain all equipment and facilities on its side of the interconnection as applicable. The Transmission Provider shall own, install, and maintain all facilities necessary to interconnect such Network Resource or transmission facility to the

Transmission System on the Transmission Provider's side of the interconnection at the Network Customer's sole expense. Such interconnection facilities shall include any equipment necessary to protect the Transmission Provider's system, including, but not limited to, short circuit protection, breaker closing/reclosing control, loss of synchronism, overcurrent/undercurrent devices such as relays, remote terminal units, circuit breakers, and meters. Such facilities shall meet the Transmission Provider's specifications and shall be subject to inspection and testing by the Transmission Provider.

7.3 The Network Customer shall operate its directly interconnected Network Resources, as applicable, and directly interconnected transmission facilities in accordance with any applicable NERC or WECC standards and regional criteria and Good Utility Practice. Such operation includes, but is not limited to, following voltage schedules, free governor response, meeting power factor requirements at the point of interconnection with the Transmission Provider's system, equipment maintenance coordination, and communication of necessary data, information, or reports. The Network Customer shall pay the cost of any needed modification of the Transmission Provider's computer hardware and software to accommodate the Network Customer's Regulating Margin and Operating Reserve requirements. Any resources used by the Network Customer to meet its Regulating Margin and Operating Reserve requirements, whether the Network Customer's applicable Network Resources or a third party's generating resources, shall meet the same requirements as the Transmission Provider's generating resources used to meet the Regulating Margin and Operating Reserve requirements, including but not limited to, automatic generation control capability, ramp rate, and governor response, and are subjected to random testing, and if applicable, a monthly start-up test.

8 Interconnection of Customer Load

8.1 Facilities for the interconnection of the Network Customer's Network Load to the Transmission Provider's Transmission System shall be installed, operated and maintained in accordance with Good Utility Practice.

8.2 The Network Customer desires to receive service as described in the Service Agreement. Any applicable service criteria of the Network Customer, including, but not limited to, any redundancy desired in transmission elements available to serve Network Load from the Transmission Provider's Transmission System shall be specified by the Network Customer. If technically feasible, the Transmission Provider shall provide service as requested in the Service Agreement

and in accordance with such criteria, conditioned on the Transmission Provider obtaining any necessary regulatory permits and complying with any other state or local requirements for the construction of any required facilities.

8.3 The Network Customer shall keep the Transmission Provider informed on a timely basis of any changes in its Network Load and its designated Network Resources as required under the Tariff. The Network Customer shall cooperate in the planning of any addition to or upgrade of interconnection facilities to accommodate Network Load growth or a Network Resource addition.

8.4 The Transmission Provider shall own, operate, and maintain all interconnection facilities on the Transmission Provider's side of the interconnection with the Network Customer's Network Load. The Network Customer shall pay all costs and expenses for such interconnection facilities that are used exclusively to provide Network Integration Transmission Service to the Network Customer including, but not limited to, the costs of permitting, planning, procuring, constructing, owning, maintaining, and operating any such facilities.

8.5 The Network Customer shall provide and maintain, at its sole expense, facilities on its side of the interconnection in accordance with Good Utility Practice. The Network Customer shall install protective equipment on its system and take any other reasonable measures to protect the safe and reliable operation of the Transmission Provider's system from disturbances on the Network Customer's system in accordance with Good Utility Practice.

8.6 The Network Customer shall provide or facilitate the Transmission Provider's access to the interconnection facilities of the Network Customer to the extent necessary for the Transmission Provider to construct, operate, or maintain interconnection facilities. The Parties shall cooperate with one another in scheduling maintenance to any interconnection facility or in taking any interconnection facility out of service, provided that in an emergency the Transmission Provider may take facilities out of service if necessary to protect the Transmission Provider's system.

8.7 Unless otherwise mutually agreed, each Party shall provide the reactive power requirement of its own electric system or, if the Network Customer is serving an Eligible Customer, the electric system of the Eligible Customer receiving service, and each Party shall cooperate to control the flow of such reactive power to prevent the introduction of objectionable operating conditions on

the other Party's system or on that of the Eligible Customer receiving service.

9.0 Control Area Requirements and Ancillary Services

9.1 A Network Customer shall ensure that, to the extent it has its own Control Area that is directly interconnected to the Transmission Provider's Control Area, that interconnected Control Area satisfies its own balancing requirements, including all necessary Ancillary Services, by: (i) operating as a Control Area under applicable guidelines of NERC and WECC; or (ii) contracting with the Transmission Provider to provide Control Area services; or (iii) providing such services itself or contracting with a third party in a manner that is consistent with Good Utility Practice and which satisfies applicable NERC and WECC requirements.

9.2 The Network Customer shall provide to the Transmission Provider a Transmission Reduction Plan on behalf of itself or the Eligible Customer it is serving, as applicable, to facilitate the matching of transmission capacity with the resources available to serve load. The Transmission Reduction Plan shall be provided before service commences and thereafter updated at least annually or whenever the Network Customer revises its designated loads and/or resources.

9.3 A Network Customer that arranges to have a third party meet its Operating Reserve requirements shall also meet the requirements of Section 9.3 above. The Operating Reserve requirement for the Network Customer is as specified by the WECC and as implemented by the Transmission Provider. Inasmuch as the Transmission Provider is obligated to meet the WECC's requirements, as they may be modified from time to time, the Network Customer recognizes and agrees that its Operating Reserve requirement may change to reflect WECC modifications.

9.4 In order to facilitate the use of Operating Reserves from outside the Control Area, the Network Customer shall have available unloaded reserved firm transmission capacity at least equal to that Operating Reserve amount. Such transmission may be loaded with interruptible energy so that, upon interruption of the energy, transmission service is available to replace such energy from the Operating Reserves.

9.5 The Network Customer shall restore Operating Reserves to the required level within sixty (60) minutes of the event necessitating the loading of the

reserve.

9.6 If in real time, the Network Customer has not scheduled sufficient resources to match its actual load and the Network Customer is notified by the Control Area operator that its resource shortage is impacting system reliability, the Network Customer shall supplement and/or adjust its scheduled Network Resources within fifteen (15) minutes of such notification by the Control Area operator.

9.7 In the event that the Network Customer does not balance its loads and resources as required in Sections 9.4 or 9.5, above, the Control Area operator will initiate the Network Customer's Transmission Reduction Plan as provided pursuant to Section 9.2.

10. Network Planning

10.1 By February 1 of each year or such other time as the Network Operating Committee may agree, the Network Customer shall provide to the Transmission Provider its load and resource plans applicable to the Service Agreement(s) for itself or for the Eligible Customer to which it is providing service, as applicable, pursuant to Sections 29.2 and 35.2 of the Tariff. Such resource plans shall list the Network Customer's existing and planned generating resources that will serve as Network Resources for the Service Agreement(s). In the event the Service Agreement(s) load(s) will be satisfied by resources interconnected to a system outside of the Transmission Provider's Transmission System, the Network Customer may provide a resource plan that demonstrates and confirms the firm supply of generation designated for the Service Agreement(s) that meets the definition of "Network Resource" in the Tariff. In addition, in the event the Service Agreement(s) load(s) will be satisfied by resources interconnected to a system outside of the Transmission Provider's Transmission System, the Network Customer shall demonstrate that it has arranged point-to-point transmission service. In addition, the Network Customer must provide any planned transmission facility additions or upgrades and expected loads, that may affect the service to be provided under the Service Agreement(s) for each of the next ten (10) years or such other period(s) as may be agreed by the Network Operating Committee. The Network Customer shall provide information regarding any planned Network Resource to be interconnected to the Transmission Provider's Transmission System, as required by the Tariff, or by the Network Operating Committee, or by the Transmission Provider as reasonably necessary for efficient Transmission

System planning.

10.2 The Network Operating Committee shall coordinate the maintenance schedules of any of any Network Customer's or its Eligible Customer's generating resources and transmission and substation facilities directly interconnected to the Transmission Provider's Transmission System, to the greatest extent practical, to ensure sufficient transmission resources are available to maintain system reliability and reliability of service. By February 1 of each year, the Network Customer shall provide to the Transmission Provider the maintenance schedules and planned outages of each of its designated network generating resources directly interconnected to the Transmission Provider's Transmission System for the next year, and the Network Customer shall update the information at least thirty days in advance of the date specified for the forecasted maintenance outage. Such information shall include, but not be limited to, the expected time the unit will be separated from the system and the time at which the unit is available for (i) parallel operation, (ii) loading, and (iii) if applicable, to be put on automatic generation control.

10.3 The Network Customer shall obtain (i) concurrence from the Transmission Provider at least 72 hours before beginning any scheduled maintenance of its own and/or its Eligible Customer's, as applicable, directly interconnected facilities and (ii) clearance from the Transmission Provider when the Network Customer is ready to begin maintenance on a designated generating resource located within the Transmission Provider's Control Area, or a transmission line or substation interconnected to the Transmission Provider's Transmission System. The Network Customer shall immediately notify the Transmission Provider at the time when any unscheduled or forced outages occur and again when such unscheduled or forced outages end. The Network Customer shall notify and coordinate with the Transmission Provider prior to re-paralleling the generating resource, transmission line, or substation.

11. Scheduling of Network Resources

11.1 The Network Customer shall provide the Transmission Provider with such reports and information concerning its network operation as are reasonably necessary to enable the Transmission Provider to operate the Transmission System efficiently.

11.2 All schedules from either inside or outside of the Transmission Provider's

Control Area shall be in whole megawatts. Forecasts of generation and load from within the Transmission Provider's Control Area shall also be in whole megawatts.

11.3 The Network Customer shall notify the Transmission Provider of forecasted Network Load and intended hourly schedules of Network Resources, any economy energy purchases for the next day(s) of operation, and relevant interchange schedules consistent with the timing and obligations set forth in the Transmission Provider's OATT. The Network Customer shall transmit all the preschedules and forecasts to the Transmission Provider in a format compatible with the Transmission Provider's energy management system or similar equipment. Such preschedules and forecasts shall include, as applicable:

(a) each import into or export out of the Transmission Provider's Transmission System portion of the Transmission Provider's Control Area from Network Resources and economy energy purchases;

(b) each power purchase and sale from within the Control Area;

(c) losses;

(d) generation from each generating resource;

(e) Network Load at each point designated in the Service Agreement;

(f) regulating margin;

(g) spinning and non-spinning reserve from each Network Resource;

(h) spinning and non-spinning reserve purchased from the Transmission Provider or from each third party;

(i) available capacity from each Network Resource and the Network Customer's MSSC;

(j) transmission service associated with each preschedule and forecast;

(k) incremental cost data for each Network Resource; and

(l) any other information as required by the Transmission Provider to schedule the Network Customer's Network Resources in accordance with the Tariff.

11.4 On or before seven (7) days in advance of each operating day, the Network Customer shall provide the Transmission Provider with a preliminary forecast for each operating day specifying, as relevant and applicable to the service to be provided under the Service Agreement(s), forecasted generation, interchange, and load. On or before five (5) days before the beginning of each month, the Network Customer shall submit a forecast of total monthly energy and operating reserves to be purchased from the Transmission Provider, and/or a third party, and/or to be supplied by the Network Customer.

11.5 The Network Customer shall provide to the Transmission Provider information including, but not limited to, watts, vars, generator status, generator breaker status, generator terminal voltage and high side transfer voltage for any Network Resources directly interconnected to the Transmission Provider's Transmission System, unless otherwise agreed.

11.6 The Network Customer shall provide generating resource characteristics for any Network Resources directly interconnected to the Transmission Provider's Transmission System to the Transmission Provider as necessary to implement redispatch and to facilitate constraint and reserve management.

12. System Security

12.1 If the Transmission Provider determines that redispatching Network Resources (including reductions in off-system purchases) to relieve an existing or potential Transmission System constraint is the most effective way to ensure the reliable operation of the Transmission System, the Transmission Provider shall redispatch its resources and the Network Customer's Network Resources on a least-cost basis without regard to the ownership of such resources. The Transmission Provider shall inform the Network Customer of its redispatch practices and procedures, as they may be modified from time to time.

12.1.1 Incremental cost data submitted in accordance with Section 11.3 of this Operating Agreement shall be used, along with similar data for the Transmission Provider's resources, as the basis for least-cost redispatch for the next day(s) of operation. The Transmission Provider will implement

least-cost redispatch consistent with its existing contractual obligations and its current practices and procedures for its own resources. The Network Customer shall respond immediately to requests for redispatch from the Transmission Provider

12.1.2 If the Network Customer experiences any changes to its incremental costs, the Network Customer must submit those changes to the Transmission Provider. Any redispatch in accordance with this Agreement shall be based on the last incremental cost data received from the Network Customer prior to redispatch and any redispatch cost shall be based on such incremental cost data.

12.1.3 The Network Customer may audit particular redispatch events, at its own expense, during normal business hours following reasonable notice to the Transmission Provider. Either the Network Customer or the Transmission Provider may request an audit of the other Party's incremental cost data by an independent agent at the requester's cost, provided that such independent agent shall not be a buyer, seller, or broker of wholesale energy or an affiliate of such an entity and that such independent agent shall agree to keep such cost data confidential and to use such data solely for the purpose of the audit.

12.1.4 Once redispatch has been implemented, the Transmission Provider shall track the costs incurred by both the Transmission Provider and the Network Customer based on the submitted incremental costs. The Transmission Provider and the Network Customer will each bear a proportional share of the total redispatch costs based on their then-current Load Ratio Shares. The Transmission Provider will debit or credit the Network Customer's monthly bill as appropriate.

12.2 If a system security issue cannot be resolved by redispatch in accordance with Section 12.1 of this Operating Agreement, the Network Customer shall curtail its schedules as requested by the Transmission Provider. The Transmission Provider shall curtail, on a nondiscriminatory basis, the transaction(s) that effectively relieve the constraint. To the extent practical and consistent with Good Utility Practice, any Curtailment shall be shared by the Transmission Provider and the Network Customer in proportion to their respective Load Ratio Shares.

12.3 The Parties shall implement load shedding programs to maintain the

reliability and integrity of the Transmission Provider's Control Area, as provided in Section 33.6 of the Tariff.

12.3.1 Load shedding shall include any combination of the following: (i) automatic load shedding; (ii) manual load shedding; and (iii) rotating interruption of customer load. The Transmission Provider will order load shedding to maintain the relative sizes of load served within the area requiring load shedding, unless otherwise required by circumstances beyond the control of the Transmission Provider or the Network Customer.

12.3.2 Automatic load shedding devices will operate without notice. When manual load shedding or rotating interruptions are necessary, the Transmission Provider shall notify the Network Customer's dispatchers or schedulers of the required action and the Network Customer shall comply as directed by the Transmission Provider.

12.3.3 The Transmission Provider shall, at its own expense, provide, operate, and maintain in service high-speed, digital under-frequency load shedding equipment on its own Transmission System. To the extent the Network Customer or Eligible Customer receiving service under the Service Agreement(s) has high-speed, digital under-frequency load shedding equipment on its system that is directly interconnected to the Transmission Provider's Transmission System, the Network Customer shall ensure that it and/or the Eligible Customer, as applicable, shall at its own expense provide, operate, and maintain that equipment. The Network Customer's and Eligible Customer's equipment shall be (i) compatible and coordinated with the Transmission Provider's load shedding equipment and (ii) set for the amount of load to be shed with frequency trips and tripping time as determined by the Transmission Provider. In the event the Transmission Provider modifies the load shedding system, the Network Customer shall, at its own expense, make changes to its equipment and setting of such equipment, as required. The Network Customer shall test and inspect the load shedding equipment within ninety days of taking Network Integration Transmission Service under the Tariff and at least once every two years thereafter and promptly provide a written report to the Transmission Provider of the results of such test. The Transmission Provider may request a test of the load shedding equipment with reasonable notice.

12.4 If the Network Customer fails to redispatch or curtail its Network Resources, or the Network Customer or Eligible Customer receiving service under the Service Agreement(s) fails to shed load in accordance with this Section 12, the Network Customer shall pay the Transmission Provider for each kilowatt-hour of generation or load it failed to redispatch, curtail or shed in accordance with Schedule 4 of the Tariff, Energy Imbalance.

13. Network Operating Committee

13.1 If constituted, the Network Operating Committee shall consist of one representative and one alternate from the Network Customer and one representative and one alternate from the Transmission Provider.

13.2 The Network Operating Committee shall coordinate operating criteria for the Parties' respective responsibilities under this Agreement.

13.3 Once constituted, the Network Operating Committee shall meet at least once a year, or at such other time as the Network Operating Committee may agree, to review the Parties' resource plans, to discuss the availability of transmission service for planned Network Resources designated under the Service Agreement(s), and to discuss the need for any additions to or upgrades of interconnection facilities in accordance with Section 8 of this Operating Agreement, as well as any other matters relating to the provision of Network Integration Transmission Service.

13.4 The Network Operating Committee shall not have any authority to (i) modify, amend, terminate, or supersede any provision of this Agreement, the Service Agreement, or the Tariff or (ii) to require any expansion of or addition to the Transmission Provider's Transmission System. The Transmission Provider shall have the authority to adopt rules or procedures for the implementation of this Agreement, the Service Agreement, and the Tariff that are consistent with such agreements, the Tariff, and Transmission Provider's local requirements and business practices.

14. Assignment

This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns, but shall not be assigned by either Party, except to successors to all or substantially all of the electric properties and assets of such Party,

without the written consent of the other.

15. **Dispute Resolution**

Disputes under this Agreement shall be subject to the dispute resolution procedures of Section 12 of the Tariff.

16. **Non-Dedication of Facilities**

An undertaking by either Party to the other Party under this Agreement shall not constitute the dedication of the system, or any portion thereof, of that Party to the public or to the other Party, or affect the status of that Party as an independent system. Any such undertaking shall cease upon the termination of this Agreement.

17. **Municipal Tax Exempt Bonds**.

Notwithstanding any other provision of this Agreement, Transmission Provider shall not be required to provide any service under this Agreement if in Transmission Provider's sole discretion the provision of such service would result in "private business use" as defined in Section 141(b)(6) of the Internal Revenue Code and the Treasury Regulations promulgated thereunder, as such laws and regulations may be amended, updated, modified or replaced.

18. **Waivers**

Any waiver by either Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. No waiver of any provision of this Agreement by Transmission Provider shall be effective unless such waiver is in writing and signed by an authorized representative of the Transmission Provider. Any delay, short of the statutory period of limitation in assessing or enforcing any right, shall not be deemed a waiver of such right.

19. **Relationship of Parties**

The obligations and liabilities of the Parties are several and not joint or collective, and nothing herein contained shall be construed as an association, joint venture, trust, or partnership, or to impose a trust or partnership covenant, obligation, or liability on or with regard to either Party. Each Party shall be individually liable and responsible for its

own covenants, obligations, and liabilities as herein provided. Neither Party shall be under the control of or shall be deemed to control the other Party. Neither Party shall be the agent of or have a right or power to bind the other Party without such other Party's express written consent.

20. Governing Law and Costs

This Operating Agreement was made and entered into pursuant to the laws of the State of California and the City of Los Angeles. This Operating Agreement shall be governed by, interpreted and enforced in accordance with the laws of the State of California without regard to conflict of law principles. Both Parties hereto agree that in any action to enforce the terms of this Operating Agreement, each Party shall be responsible for its own attorneys' fees and costs.

21. Captions and Headings

All captions and headings appearing in this Operating Agreement are inserted to facilitate reference and shall not govern, except where logically necessary, the interpretations of the provisions hereof.

22. Notices

Any notice or request made to or by either Party regarding this Operating Agreement shall be made to the representative of the other Party as indicated in the Service Agreement for Network Integration Transmission Service.

23. Signature Clause

The signatories hereto represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for which they sign.

IN WITNESS WHEREOF, the Parties have caused this Operating Agreement to be executed as of the_____ day of _____, _____.

For LADWP	**For [Network Customer]**
DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES BY BOARD OF WATER AND POWER COMMISSIONERS OF THE CITY OF LOS ANGELES	
By:	**By:**
Date:	**Date:**
And:	**And:**

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 $216,854,000.

2. The amount in (1) shall be effective until amended by the Transmission Provider.

ATTACHMENT I

Index Of Network Integration Transmission Service Customers

None

ATTACHMENT J

Procedures for Addressing Parallel Flows

In a June 17, 2009 filing, the North American Electric Reliability Corporation's ("NERC"), consistent with Section 215 of the Federal Power Act and as directed by the Commission, requested Commission approval of revision to the Qualified Transfer Path Unscheduled Flow (USF) Relief for the Western Electricity Coordinating Council ("WECC"), Reliability Standard IRO-006-WECC-1 on March 26, 2007, and approved by the Commission on June 8, 2007. The revised Reliability Standard approved by the Commission on March 17, 2011 is intended to mitigate transmission overloads due to unscheduled flow on a transfer path designated by WECC as being qualified for unscheduled flow mitigation, and any subsequent revisions thereto, are hereby incorporated and made part of this Tariff. The current WECC Unscheduled Flow Reduction Procedure can be accessed via the NERC website at:

http://www.nerc.com/files/IRO-006-WECC-1.pdf

|ATTACHMENT K

Transmission Planning Process

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

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Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

I. Overview of the LADWP Transmission Planning Process

The City of Los Angeles (City) is a municipal corporation and charter city organized under the provisions of the California Constitution. The Department of Water and Power (LADWP) is a proprietary department of the City of Los Angeles, pursuant to the Los Angeles City Charter, and a "non-public utility" under Section 201(f) of the Federal Power Act.

LADWP is a vertically integrated utility, owning and operating the majority of its generation, transmission and distribution systems. The LADWP service area encompasses approximately 473 square miles and is populated by approximately 4.0 million residents of the City and Owens Valley, and LADWP serves approximately 1.4 million power customers in the City and 5,000 in the Owens Valley, making LADWP the nation's largest municipal electric utility.

As a non-public utility transmission provider, LADWP voluntarily maintains an Open Access Transmission Tariff (OATT) and Open Access Same-time Information System (OASIS). Pursuant to its membership in WestConnect,[1] LADWP undertakes an annual local transmission planning process and also coordinates its transmission planning process with other transmission providers and stakeholders in the Western Interconnection through subregional, regional and inter-regional processes. LADWP is also a member of the Western Electricity Coordinating Council (WECC) and participates in the WECC transmission planning studies.

This Attachment K describes the local, regional, and interregional transmission planning and cost allocation processes used by LADWP, which are consistent with FERC's standards for reciprocity and comparability expressed by the Federal Energy Regulatory Commission (FERC) in Order Nos. 888, 890, and 1000.

[1] WestConnect was formed under a memorandum of understanding (MOU) voluntarily entered into by transmission providing electric utilities in the Western Interconnection. The purposes of WestConnect are to investigate the feasibility of wholesale market enhancements, work cooperatively with other Western Interconnection organizations and market shareholders and address seams issues in the appropriate forums. WestConnect has initiated an effort to facilitate and coordinate regional transmission planning across the WestConnect footprint as an Order No. 1000 transmission planning region, and to participate in inter-regional transmission planning processes in the Western Interconnection.

II. LADWP Local Transmission Planning

A. Local Planning Process

1. Open Participation

Participation in LADWP's local planning process is open to all interested parties, including but not limited to, all transmission service customers, balancing authority area services customers, interconnecting neighboring transmission providers, state agencies, regulatory agencies, and other stakeholders.

2. Purpose of Planning Studies

LADWP's local transmission planning process is designed to meet the following needs:

a. Provide adequate transmission for resources in order to reliably and economically serve Network Customers' and Native Load Customers' requirements for planned loads and resources, including demand response resources, and transmission service to third parties from its available transfer capability.

b. Support LADWP's transmission and distribution systems.

c. Coordinate new interconnections with other transmission systems.

d. Accommodate requests for long-term transmission access.

3. Types of Local Planning Studies

a. Local Reliability Studies. LADWP will conduct reliability studies to ensure that all NERC, WECC, and local reliability standards are met for each year of the ten-year planning horizon. These reliability studies will be coordinated with the other regional transmission planning organizations through the Southwest Area Transmission (SWAT) group and WECC study efforts.

b. Local Economic Studies. Economic planning studies are performed to identify significant and recurring congestion on the transmission system and/or address the integration of new resources and loads. Such studies may analyze any, or all, of the following: (i) the location and magnitude of the congestion, (ii) possible remedies for the elimination of the congestion, in whole or in part, including transmission solutions, generation solutions and solutions utilizing demand response resources, (iii) the associated costs of congestion, and (iv) the costs associated with relieving congestion through system enhancements (or other means), and, as appropriate, (v) the economic impacts of integrating new resources and loads. As described below in Section 9, LADWP may perform, or cause to be performed, economic planning studies at the request of any transmission customer or

stakeholder, and may utilize the WECC public data bases. Local economic planning studies performed by LADWP or its contractors that are initiated by a stakeholder request will be borne by the requester. The customer shall pay the full estimated cost prior to LADWP beginning the study, and LADWP shall either refund any over-collection or bill any under-collection after completion of the study.

c. Consideration of Public Policy Requirements. For purposes of this Attachment K, "Public Policy Requirements" means those requirements enacted by state or federal laws or regulations, including those enacted by local governmental entities, such as a the LADWP Board of Water and Power Commissioners and/or the City Council. Public Policy Requirements, as applicable, are incorporated into the load forecasts and/or are modeled in the local planning studies. Proposed public policies (*i.e.*, a public policy proposed before a governmental authority but not yet enacted) may be studied if time and resources permit.

4. Local Transmission Planning Cycle

LADWP conducts its local transmission planning on a calendar year cycle for a ten-year planning horizon. LADWP updates its ten-year plan annually. To the extent possible, LADWP coordinates the timing of its local planning study cycle with the WestConnect and WECC study processes.

Stakeholders may participate in identifying local transmission needs by contacting LADWP' Point of Contact described in Section II.A.7.a below. Stakeholders also have the opportunity to offer input or make proposals at LADWP's Q2 Meeting and Q4 Meeting, which are open public planning meetings held pursuant to Section II.B of this Attachment K. Through these two avenues for communication – *i.e.*, email communications with the LADWP Point of Contact and/or participation at the open public planning meeting(s) – stakeholders may participate in the evaluation of solutions to identified local transmission needs that may be selected by LADWP for further evaluation. Stakeholders may provide comments on proposed solutions or may submit other proposed solutions to local transmission needs.

5. Exchange of Data, Confidential Information, and Use of Customer Data

a. LADWP exchanges information on transmission plans and related data on a regular basis in accordance with the schedule for data submittal established by WECC, WestConnect and other transmission planning groups. LADWP obtains data used for its local transmission planning studies from the WECC data bases for reliability studies. Economic studies performed by LADWP for local transmission projects will rely on LADWP studies using security-constrained production cost analysis software (*e.g.*, PROMOD, GridView, Plexos, or equivalent).

b. Confidential, or Proprietary and Critical Energy Infrastructure Information (CEII). LADWP's transmission planning studies include base case data that contain WECC proprietary data, and/or confidential information and/or critical energy infrastructure information (CEII). A stakeholder must hold membership in, or execute a non-disclosure agreement with WECC in order to obtain a base case from WECC. Requests for detailed base case data must be submitted to WECC in accordance with the WECC procedures. Additionally, LADWP makes refinements to the WECC base case that may be LADWP proprietary data, confidential information and/or CEII. For stakeholders that execute the appropriate non-disclosure agreements and clearances consistent with the WECC procedures, LADWP will provide stakeholders the criteria, and assumptions and refinements LADWP makes to the WECC base case, including the models used in its local transmission plan, once the stakeholder executes the appropriate non-disclosure agreements and clearances consistent with the WECC procedures and executes a non-disclosure agreement with LADWP.

c. Restrictions on Access to Information for Competitive Duty Personnel. People involved in marketing functions or other wholesale power sales and marketing activities may be restricted from access to certain local transmission planning data, and/or may be required to execute additional non-disclosure agreements.

d. As a public entity, LADWP is subject to the California Public Records Act, California Government Code §§6250 *through* 6276.4, and the Ralph M. Brown Act, California Government Code 54950 *et sec*.

6. Customer's Responsibility to Provide Data

a Deadline for Submission of Data by Customers. To maximize the effectiveness of the LADWP planning process, each Transmission Customer shall provide LADWP with its ten-year of the data specified in sub-section (b) below along with supporting documentation. This information, including the data set forth in Section 6.b below, must be submitted by February 1 of each year in order to be included in the planning process for the annual local transmission plan.

b. Data to be Submitted. To the maximum extent practical and consistent with protection of proprietary information, data submitted by customers shall include the following information for the ten-year planning horizon:

- Generators – planned additions or upgrades (including status and expected in-service dates), planned retirements and any environmental restrictions.

- Demand response resources – existing and planned demand response resources and their impacts on demand and peak demand.

- Point-to-Point transmission customers – projections of need for service, including transmission capacity, duration of service and points of receipt and delivery.

- Non-Transmission Alternatives (NTAs) - including, but not limited to, technologies that defer or possibly eliminate the need for new and/or upgraded transmission lines. Such alternatives include, but are not limited to: Distributed Generation resources and Demand Side Management (load management), such as Energy Efficiency and Demand Response (*e.g.*, interruptible load) programs, energy storage facilities, and smart grid equipment that can help eliminate (or mitigate) a grid reliability problem, reduce uneconomic grid congestion, and/or help to meet grid needs driven by Public Policy Requirements.

- Balancing Authority Area Services customers - Customers taking service from LADWP under a Balancing Authority Area Services Agreement (BAASA) shall provide information as required by the BAASA.

- Network Customers and Native Load Customers – Each Network Customer and Transmission Provider on behalf of Native Load Customers shall provide an updated ten-year forecast of projected Network Load and Network Resources (including demand response resources) to LADWP on an annual basis. The update shall include the information identified in Section 29.2(ix) of the Tariff.

c. Notification of Material Changes to Customer Data. Each customer is responsible for submitting timely written notice to LADWP of material changes in any of the information previously provided related to the customer's load, resources (including NTAs), or other aspects of its facilities or operations which may, directly or indirectly, affect LADWP's ability to provide service, within 10 business days of such event.

7. Procedures for Requesting a Local Transmission Planning Study.

Any LADWP transmission customer or other interested stakeholder, including those seeking transmission solutions, generation solutions and solutions utilizing NTAs may submit a study request to LADWP, and economic planning study requests shall also be submitted directly to LADWP.

a. LADWP Point of Contact. LADWP shall identify a Point of Contact and email address on its website and/or OASIS to respond to customer/stakeholder questions regarding modeling, criteria, assumptions and data underlying system plans. All requests submitted to LADWP should be electronically forwarded to LADWP by email to the Point of Contact.

b. Deadline for Local Study Requests. To be considered for inclusion in the LADWP local transmission plan, the local study request must be submitted no later than February 1 of the calendar year.

c. Internet Posting of Local Study Requests. Subject to confidentiality requirements, requests for LADWP local planning studies and responses to such requests shall be posted on the LADWP website and/or OASIS.

d. Consideration of Requests. LADWP will review timely submitted local study requests with input from stakeholders in a public transmission meeting. Based in part on the number and type of requests received, LADWP will consider:

i. Whether the study is a local priority request and determine if the study should be performed by LADWP or referred to a more appropriate transmission provider, or

ii. Whether the study request encompasses a region, in which case LADWP will transfer the request to WestConnect for consideration as a regional priority request at WestConnect's stakeholder meeting; or

iii. Whether the study request encompasses the Western Interconnection, in which case LADWP will transfer the request to WECC for consideration in the WECC transmission planning process.

e. Timeline for Performing Local Studies Requested by Stakeholders. After review of requested local studies with stakeholders, LADWP will establish a study plan with timelines for local studies that are performed by LADWP on a case-by-case basis. The study plan for each local study performed by LADWP will be based on LADWP's evaluation of the nature of the study and its complexity. The timelines for completion of such studies may extend beyond the annual study planning cycle.

8. LADWP Process for Evaluating Local Study Requests.

a. LADWP Local Study Criteria and Guidelines. LADWP plans its transmission system in accordance with the NERC and WECC Planning Reliability Standards, along with LADWP's own design, planning and operating criteria which it utilizes for all customers on a comparable and

non-discriminatory basis. The engineering criteria utilized by LADWP are based on the WECC standards; the economic criteria are decided upon for each study by individual participants when determining the value of a suggested project.

b. Basis for Evaluation of LADWP and Stakeholder Alternative Solutions. LADWP's planning process is an objective process that evaluates use of the transmission system on a comparable basis for all customers. All solution alternatives that have been presented on a timely basis, including transmission solutions, generation solutions and solutions utilizing demand response resources, whether presented by LADWP or another Stakeholder, will be evaluated on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of Stakeholder. Alternative solutions will be evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions:

   i. Ability to practically fulfill the identified need;

   ii. Ability to meet applicable reliability criteria or NERC Planning Standards issues;

   iii. Technical, operational and financial feasibility;

   iv. Operational benefits/constraints or issues;

   v. Cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); and

   vi. Where applicable, consistency with state or local integrated resource planning requirements, or regulatory requirements, including cost recovery through rates.

c. After seeking the input of stakeholders, LADWP shall determine in accordance with this Section II of Attachment K whether to select a particular local solution in its local transmission plan. LADWP will post its local transmission plan, which will include any such solutions selected.

d. LADWP is not required to identify any particular set of local transmission needs, but if LADWP chooses not to identify any stakeholder-suggested local transmission need as a transmission need for which solutions will be evaluated in the local transmission planning process, LADWP will post on its website and/or OASIS an explanation of why the suggested transmission need will not be evaluated. Such postings will include both

an explanation of those local transmission needs that have been identified for evaluation for potential solutions in the local transmission planning process, and an explanation why other stakeholder-suggested transmission needs were not identified for further evaluation. After considering the input of stakeholders, LADWP shall determine whether to move forward with the identification of a local solution to a particular local need.

e. Local Transmission Planning Study Request Determined to be a Local Priority Request. If LADWP determines, using input from stakeholders obtained through the LADWP open public transmission meeting, that the local planning study request is a local priority study – *e.g.* the study request does not affect interconnected transmission systems and the remedies are confined to and may be resolved within the local LADWP Balancing Authority Area – then LADWP may conduct the study internally and coordinate assumptions and results with its customers, stakeholders and interconnected neighbors. Criteria used to determine whether a local planning study request is a priority request include the following:

i. What portion of the LADWP transmission system will be under consideration in the study?

ii. Does the request raise fundamental design issues of interest to multiple parties?

iii. Does the request raise public policy issues of national, regional or state interest, *e.g.,* with respect to renewable power, and location of both conventional and renewable resources?

iv. Can the objectives of the study be met by other studies?

v. Will the study provide information of broad value to customers, regulators, transmission providers and other interested stakeholders?

vi. Can similar requests for studies or scenarios be represented generically if the projects are generally electrically equivalent?

vii. Can requests be aggregated into energy or load aggregation zones with generic transmission expansion between?

viii. Does the study request require the use of production cost simulation or can it be better addressed through technical studies, *i.e.*, power flow and stability analysis?

f. Lower Priority Local Study Requests. If LADWP determines, after reviewing through an open stakeholder process, that the request for a local planning study is a lower priority, the requester may request that LADWP assist the requester in having a third party perform the local planning analysis at the requester's expense.

g. Clustering Local Priority Studies. LADWP may determine that any number of requesters' local planning study requests should be studied together or a requester may request that LADWP study its request together with other requests. LADWP will combine such studies as it deems appropriate. If local study requests are combined, the study costs will be shared among the requesters. LADWP will consider the following criteria to determine whether to cluster requested priority local studies, both on its own volition and in response to a Requester's request:

i. LADWP-Proposed Clusters: In the event that LADWP proposes to cluster certain priority local planning studies on any reasonable grounds, including, without limitation, upon its determination that the proposed cluster studies are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied as a group, it shall provide notices to each requester that it proposes to include in the study. Each requester shall be provided the opportunity to opt out of the cluster within ten (10) days of notice from LADWP.

ii. Requester-Proposed Clusters: If a requester wishes to propose a cluster study, prior to submitting a local planning study cluster request to LADWP, the requester must contact all of the other Requesters whose requests it proposes to cluster and obtain their written consent that they are willing to have their request clustered with other identified requests. LADWP will reasonably determine whether the local planning study requests that the requester proposes to cluster and for which the other affected requesters have provided consent, are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied together. LADWP reserves the right to reject a requester-proposed cluster on any reasonable grounds, including, without limitation, upon its determination that the proposed cluster cannot be feasibly studied as a group or that the proposed clustering impairs administration or timely processing of the economic study process. LADWP will make the determination whether to reject a proposed cluster, and provide notice of any decision to reject, within twenty (20) days of receipt of all of the written consents of the requesters that propose to be clustered.

h. Posting of Local Transmission Needs. LADWP will maintain on its website and/or OASIS (i) a list of all local transmission needs identified that are included in the studies for the current local planning cycle; and (ii) an explanation of why other suggested transmission needs will not be evaluated.

i. Communication of LADWP Transmission Study Plans and Local Planning Results. LADWP transmission study plans and planning results will be communicated through presentations at the Q2 Meeting and Q4 Meeting described in Section II.B below and made available upon request.

9. Local Economic Planning Studies.

a. Deadline for Local Economic Planning Study Requests. To be considered for inclusion in the LADWP local transmission plan, the local economic planning study request must be submitted no later than February 1 of the calendar year.

b. For timely submitted economic planning study requests, submitted no later than February 1 and in accordance with this Attachment K, LADWP will review the request with input from stakeholders at the Q2 Meeting, the local public planning meeting described in Section II.B.

c. Based in part on the number and type of requests received, LADWP will consider whether the study is a local priority request and determine if the study should be performed by LADWP or referred to a more appropriate transmission provider, or whether the study request encompasses a sub-region or region, in which case LADWP will transfer the request to WECC.

d The procedures for evaluating local economic planning studies are the same as those procedures used to evaluate any other project proposed in the local planning process, as described in Section 8 above.

e. For lower priority local economic planning studies, LADWP may at its discretion perform the economic planning studies itself, or utilize a third-party to perform the local economic planning study with a security-constrained production cost analysis case (*e.g.*, PROMOD, GridView, Plexos, or equivalent) provided by LADWP. Access to data used in security-constrained production cost analysis may require execution of appropriate non-disclosure agreements (NDA).

10. Local Public Policy Study Requests.

The procedures for evaluating potential solutions to the identified local transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the local planning process, as described in Section 8 above.

a. If a stakeholder identifies a local transmission need driven by a Public Policy Requirement, LADWP will review the identified local transmission need with input from stakeholders in a public transmission meeting. Based in part on the number and type of requests received, LADWP will consider whether:

(i) The suggested transmission need is local and determine if the study should be performed by LADWP, or

(ii) Whether the facilities associated with the identified transmission need are regional, in which case LADWP will transfer the request to WestConnect for consideration at WestConnect's stakeholder meeting or

(iii) Whether the facilities associated with the identified transmission need are West-wide, in which case LADWP will transfer the request to WECC for consideration at WECC stakeholder meeting.

b. No single factor shall necessarily be determinative in selecting among the potential transmission needs driven by Public Policy Requirements. In selecting those local transmission needs driven by Public Policy Requirements that will be evaluated for solutions in the current planning cycle, LADWP will consider, on a non-discriminatory basis, factors, including but not limited to, the following:

(i) Whether the Public Policy Requirement is driving a local transmission need that can be reasonably identified in the current planning cycle;

(ii) The feasibility of addressing the local transmission need driven by the Public Policy Requirement in the current planning cycle;

(iii) The factual basis supporting the local transmission need driven by the Public Policy Requirement; and

(iv) Whether a Public Policy Requirement has been identified for which a local transmission need has not yet materialized, or for which there may exist a local transmission need but the development of a solution to that need is premature.

[*One example is a renewables portfolio increase that is enacted for implementation in a future year, and for which the process by which the renewable resource is to be identified, selected, and sited under the governing state- regulated resource adequacy process*

has not yet begun (making it premature to identify the location and scope of the local transmission need and/or the appropriate solution for the need).]

11. Cost Responsibility for Local Transmission Planning Studies Performed by LADWP

a. Local transmission planning studies performed by LADWP or its contractors that are initiated by LADWP as part of its annual ten-year local transmission study process will be borne by LADWP and recovered in rates.

b. Local transmission planning studies performed by LADWP or its contractors that are initiated by a stakeholder request will be borne by the requester. The customer shall pay the full estimated cost prior to LADWP beginning the study, and LADWP shall either refund any over-collection or bill any under-collection after completion of the study.

B. Annual Local Transmission Planning Open Public Meetings

1. Purpose

Each year LADWP will conduct two local transmission planning open public meetings that will allow stakeholders to participate in LADWP's local transmission planning process. The meetings will be open to all stakeholders and will provide two open, transparent forums that will serve to:

a. Promote discussion of all aspects of the LADWP transmission planning activities, including, but not limited to, methodology, study inputs, study results, and alternative solutions.

b. Provide a forum for LADWP to better understand the specific electric transmission interests of all stakeholders.

c. Provide a meaningful opportunity for stakeholders to engage in planning along with LADWP by creating opportunities for stakeholders to review and comment on the criteria, assumptions, and models used by LADWP in the local transmission planning activities prior to finalization of the LADWP local transmission plan.

2. Public Meeting Process

a. **Q2 Meeting**: In the second calendar quarter of the year, LADWP will host a local transmission planning open public meeting (Q2 Meeting), at which LADWP shall explain and discuss:

- The status of any unresolved issues from the prior local transmission planning process cycle;
- the base cases it intends to use for its local transmission planning study;

- the assumptions it plans to use for the local transmission planning study;
- the study plan (i.e., method for analysis) to guide the local transmission planning study;
- the local needs identified on the system to be considered in the study;
- the alternatives under consideration to be evaluated in the study; and
- the local transmission planning studies that were timely requested by stakeholders in accordance with Section 7.

b. **Q4 Meeting**: In the fourth calendar quarter of the year, LADWP will host a local transmission planning open public meeting (Q4 Meeting), at which LADWP shall:

- provide an overview of the draft local transmission planning study;
- review the assumptions it used for the local transmission planning study;
- review of the study plan (i.e., method for analysis) to guide the local transmission planning study;
- review of local needs identified on the system that were considered in the study;
- review the alternatives considered in the study;
- review of the local transmission planning studies requested by stakeholders; and
- provide updates on its planned local transmission projects and non-transmission alternatives; and
- explain and discuss the preliminary draft local transmission planning study results, including results of studies requested by stakeholders that were performed by LADWP.

3. Stakeholder Comments

Stakeholders can comment and provide input to LADWP during the local transmission planning process.

4. Meeting Notices and Communication

a. Meeting notices, including date, time, place and meeting agenda, will be posted on the LADWP website and/or OASIS. LADWP will establish and post its public planning meetings schedule at least once annually, and at least two weeks prior to meetings.

b. The agenda for each LADWP's public local transmission planning meeting will be sufficiently detailed, posted on the LADWP website and/or OASIS and be circulated to an email distribution list in advance of the meetings in order to allow advance notice to customers and stakeholders.

c. All existing LADWP transmission and other wholesale customers will be included on LADWP's distribution list and actively notified via email of local transmission planning open public meeting(s). Any other stakeholder wanting to be included on LADWP's email distribution list should submit its information to the LADWP Point of Contact identified on the LADWP website and/or OASIS.

d. LADWP will post all meeting-related notes, documents and drafts or final reports on its website and/or OASIS.

e. In order to permit all stakeholders access to the information posted on the website or OASIS listed in Section II, B.3.d, only public information will be shared, and in accordance with state and local laws, only public business shall be conducted in public local transmission planning meeting(s).

5. Unresolved Issues

The status of any stakeholder issues that were not resolved during the local transmission planning process will be addressed by LADWP in the following local transmission planning process cycle (Q2 Meeting).

III. Regional Transmission Planning

This Section of Attachment K to the LADWP OATT implements the requirements for regional planning set forth in Federal Energy Regulatory Commission Order Nos. 890 and 1000. LADWP engages in regional planning and coordination within the WestConnect regional process (Regional Planning Process), which also includes LADWP's participation in interregional planning in the United States portion of the Western Interconnection through its participation in WestConnect.

The purpose of the Regional Planning Process is to produce a regional transmission plan (the Regional Plan) and provide a process for evaluating projects submitted for cost allocation in accordance with the provisions of this Attachment K and those business practices adopted by WestConnect in the WestConnect Regional Planning Process Business Practice Manual, as may be amended from time to time, available on the WestConnect website (Business Practice Manual).

A. Overview

The WestConnect Planning Region is defined by the transmission owner and transmission provider members (referred to generally as Transmission Owners) participating in the Regional Planning Process and for which WestConnect is conducting regional planning. The service areas of the Transmission Owners consist of all or portions of nine states: Arizona, California, Colorado, Nebraska, New Mexico, Nevada, South Dakota, Texas and Wyoming. Non-public utilities such as LADWP are invited to participate in the Regional Planning Process.

Following the effective date of the enrolled Transmission Owners, September 20, 2013 Order No. 1000 compliance filings with the Federal Energy Regulatory Commission ("Effective Date"), the WestConnect Order No. 1000 regional transmission planning management committee (the Planning Management Committee or PMC) is responsible for administering the Regional Planning Process. In order to align its regional process with the western interregional coordination process, WestConnect began its biennial process in 2016. WestConnect conducted an abbreviated planning process in 2015.

In conjunction with creating the new PMC, the WestConnect members, in consultation with interested stakeholders, have established a separate project agreement (the Planning Participation Agreement) to permit interested stakeholders to participate in the Regional Planning Process. Although the Regional Planning Process is open to the public, stakeholders interested in having a voting right in decisions related to the Regional Planning Process are required to execute the Planning Participation Agreement and any necessary confidentiality agreements. The PMC implements the stakeholder-developed Regional Planning Process, which results in a Regional Plan for the ten-year transmission planning horizon.

1. WestConnect Planning Participation Agreement

   Each WestConnect member is a signatory to the Planning Participation Agreement, which formalizes the members' relationships and establishes obligations, including Transmission Owner coordination of regional transmission planning among the WestConnect participants and the local transmission planning processes, and producing a Regional Plan.

2. Members

   WestConnect members can fall into 2 different categories: (i) transmission owners that enroll in the WestConnect Planning Region in order to comply with Order No. 1000 planning and cost allocation requirements, as well as Transmission Owners that elect to participate in the WestConnect Regional Planning Process without enrolling for Order No. 1000 cost allocation purposes, and (ii) stakeholders who wish to have voting input into the methodologies, studies, and decisions made in the execution of those requirements.

a. Joining the WestConnect Planning Region

A transmission owner that wishes to enroll or participate in the WestConnect Planning Region may do so by executing the Planning Participation Agreement and paying its share of costs as provided for in the Planning Participation Agreement.

A stakeholder that wishes to have voting input may join the WestConnect Planning Region by executing the Planning Participation Agreement, paying annual dues, and complying with applicable provisions as outlined in such agreement. For further information regarding membership dues, please see WestConnect's Planning Participation Agreement, located on the WestConnect website at http://www.westconnect.com./planning_agreement.php and on file with FERC.

b. Exiting the WestConnect Planning Region

Should a Transmission Owner member wish to exit the WestConnect Planning Region, it must submit notice in accordance with the Planning Participation Agreement and pay its share of any WestConnect expenditures approved prior to providing its formal notice of withdrawal from the WestConnect Planning Region.

Should a stakeholder wish to exit the WestConnect Planning Region, it may do so by providing notice in accordance with the Planning Participation Agreement. Withdrawing stakeholders will forfeit any monies or dues paid to the PMC and agree to remit to the PMC any outstanding monies owed to WestConnect prior to the effective date of such withdrawal.

c. List of Enrolled Entities

Transmission owners enrolled in the WestConnect Planning Region for purposes of Order No. 1000:

i. Arizona Public Service Company
ii. Black Hills Colorado Electric Utility Company, LP
iii. Black Hills Power, Inc.
iv. Cheyenne Light, Fuel, & Power Company
v. El Paso Electric Company
vi. NV Energy, Inc. Operating Companies
vii. Public Service Company of Colorado
viii. Public Service Company of New Mexico
ix. Tucson Electric Power Company

x. UNS Electric, Inc.

3. WestConnect Objectives and Procedures for Regional Transmission Planning

The Regional Planning Process will produce a Regional Plan that complies with existing Order No. 890 principles and carried forward in Order No. 1000:

a. Coordination

b. Openness

c. Transparency

d. Information exchange

e. Comparability

f. Dispute resolution

g. Regional Coordination

h. Economic Planning Studies

i. Cost Allocation

4. LADWP, along with the other Planning Participation Agreement signatories, shall work through the Regional Planning Process to integrate its transmission plan with the other WestConnect participant transmission plans into a single ten-year Regional Plan for the WestConnect planning region by:

a. Actively coordinating development of the Regional Plan, including incorporating information, as appropriate, from all stakeholders;

b. Coordinating, developing and updating common base cases to be used for all study efforts within the Regional Planning Process and ensuring that each plan adheres to the methodology and format developed for the Regional Plan;

c. Providing funding for the Regional Planning Process and all planning management functions pursuant to the Planning Participation Agreement;

d. Maintaining a regional planning section on the WestConnect website[2] where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted;

e. Posting detailed notices of all regional and local planning meeting agendas on the WestConnect website; and

[2] The WestConnect website is located at http://www.westconnect.com.

f. Establishing a cost allocation process for regional transmission projects selected in the Regional Planning Process for cost allocation.

B. Roles in Regional Planning Process

1. PMC Role

The PMC is responsible for bringing transmission planning information together and sharing updates on active projects. The PMC provides an open forum where any stakeholder interested in the planning of the regional transmission system in the WestConnect footprint can participate and obtain information regarding base cases, plans, and projects and provide input or express its needs as they relate to the transmission system. On a biennial basis and in coordination with its members, Transmission Owners, and other interested stakeholders, the PMC will develop the Regional Plan. The PMC, after considering the data and comments supplied by customers and other stakeholders, develops a regional transmission plan that treats similarly-situated customers (*e.g.*, network, retail network, and native load) comparably in transmission system planning.

The PMC is charged with development and approval of the Regional Plan. The PMC is structured to be comprised of representatives from each stakeholder sector. The PMC is empowered to create and dissolve subcommittees as necessary to facilitate fulfillment of its responsibilities in developing the Regional Plan.

2. Stakeholder Participation and Assistance

Stakeholders may participate in the Regional Planning Process by any one or more of the following ways: (a) joining one of five WestConnect regional transmission planning membership sectors described below; (b) by attending publicly-posted WestConnect regional transmission planning stakeholder meetings; and/or (c) by submitting project proposals for consideration and evaluation in the Regional Planning Process.

Attendance at meetings is open to all interested stakeholders. These meetings will include discussion of models, study criteria and assumptions, and progress updates. Formal participation, including voting as allowed by the process, can be achieved through payment of applicable fees and annual dues as a member of WestConnect in accordance with the Planning Participation Agreement. Transmission Owners with a Load Serving Obligation will not be responsible for annual dues because Transmission Owners with a Load Serving Obligation will be the default source of monies to support WestConnect activities beyond dues paid by other organizations.

WestConnect Planning Region members will assist stakeholders interested in becoming involved in the Regional Planning Process by directing them to appropriate contact persons and websites. All stakeholders are encouraged to bring their plans for future generators, loads or transmission services to the WestConnect planning meetings. Each transmission planning cycle will contain a period during which project ideas are accepted for potential inclusion in that cycle's Regional Plan.

3. Forum for Evaluation

   The WestConnect Regional Planning Process provides a forum for transmission project sponsors to introduce their specific projects to interested stakeholders and potential partners and allows for joint study of these projects by interested parties, coordination with other projects, and project participation, including ownership from other interested parties. This may include evaluation of transmission alternatives or non-transmission alternatives in coordination with the Regional Planning Process.

4. Stakeholder Meetings

   WestConnect holds open stakeholder meetings on at least a semi-annual basis, or as needed and noticed by the PMC with 30 days' advance notice to update stakeholders about its progress in developing the Regional Plan and to solicit input regarding material matters of process related to the Regional Plan. Notice for such meetings is posted on the WestConnect website and via email to the Regional Planning Process email distribution list.

   The meeting agendas for all WestConnect planning meetings are sufficiently detailed, posted on the WestConnect website, and circulated in advance of the meetings in order to allow stakeholders the ability to choose their meeting attendance most efficiently.

5. WestConnect Planning Process Governance

   a. Membership Sectors

      The Regional Planning Process is governed by the PMC, which is tasked with executing the Regional Planning Process and has authority for approving the Regional Plan. For those entities desiring to be a part of the management of the Regional Planning Process, one of five PMC membership sectors is available:

      i. Transmission Owners with Load Serving Obligations
      ii. Transmission Customers

iii. Independent Transmission Developers and Owners
iv. State Regulatory Commissions
v. Key Interest Groups

Only transmission owners that have load serving obligations individually or through their members may join the Transmission Owners with Load Serving Obligations membership sector. The Transmission Owners with Load Serving Obligations sector will be comprised of (a) those transmission owners that enroll in the WestConnect Planning Region for purposes of Order No. 1000; and (b) those transmission owners that elect to participate in the WestConnect Regional Planning Process as Coordinating Transmission Owners.

Except for Public Utilities that are required to comply with Order No. 1000, any entity may join any membership sector for which it qualifies, but may only participate in one membership sector at a time. If a non-public utility is qualified to join the Transmission Owners with Load Serving Obligations sector as well as one or more other sectors, and the non-public utility elects to join a sector other than the Transmission Owners with Load Serving Obligations sector, the PMC will not perform the function of regional transmission planning for that entity. Additionally, if a member of the Transmission Owner with Load Serving Obligations sector owns transmission facilities located in another planning region, the PMC will not perform the function of regional planning for such facilities located in another planning region.

b. Planning Management Committee

The PMC is empowered to create and dissolve subcommittees as necessary to ensure timely fulfillment of its responsibilities; to assess fees for membership status on the PMC; and to assess fees for projects submitted for evaluation as part of the Regional Planning Process. The PMC manages the Regional Planning Process, including approval of the Regional Plan that includes application of regional cost allocation methodologies.

The PMC coordinates and have the decision-making authority over whether to accept recommendations from the Planning Subcommittee (PS) and Cost Allocation Subcommittee (CAS). The PMC, among other things, develops and approves the Regional Plan based on recommendations from the PS and CAS; and develops and approves a scope of work, work plan, and periodic reporting for WestConnect planning functions, including holding a minimum of two stakeholder informational meetings per year. The PMC appoints the chair of the PS and CAS. The chair for each subcommittee must be a representative of the Transmission Owners with Load Serving Obligations member sector.

The PS responsibilities include, but are not limited to, reviewing and making recommendations to the PMC for development of study plans, establishing base cases, evaluating potential solutions to regional transmission needs, producing and recommending the Regional Plan for PMC approval, and coordinating with the CAS. The PS provides public notice of committee meetings and provides opportunities for stakeholders to provide comments on the process and proposed plan.

The CAS responsibilities include, but are not limited to, performing and/or overseeing the performance of the cost allocation methodology. The CAS also reviews and makes recommendations to the PMC for modifying definitions of benefits and cost allocation methodology as necessary to meet WestConnect planning principles on identification of beneficiaries and cost allocation. The CAS reviews and recommends projects to the PMC for purposes of cost allocation identified in the Regional Planning Process. The CAS provides public notice of committee meetings and provides opportunities for stakeholders to provide comments on the process and proposed cost allocation.

All actions of the PMC (including approval of the Regional Plan) are made possible by satisfying either of the following requirements:

i. 75% of the members voting of at least three (3) sectors approving a motion, where one of the three sectors approving is the Transmission Owners with Load Serving Obligation sector; or

ii. 75% of the members voting of the four member sectors other than the Transmission Owners with Load Serving Obligation sector approving a motion and two-thirds (2/3) of the members voting of the Transmission Owners with Load Serving Obligation sector approving a motion.

Each entity within a membership sector is entitled to one vote on items presented for decision.

Any closed executive sessions of the PMC will address matters outside of the development of the Regional Planning Process, including matters involving contracts, personnel, financial matters, or legal matters such as, but not limited to, litigation (whether active or threatened).

C Submission of Data by Customers, Transmission Developers and Transmission Owners

When stakeholder feedback on modeling assumptions is requested, the data submittal period for such feedback is established by the PMC. In all cases, requests for submittal of data from WestConnect members and stakeholders is followed by a data submittal window lasting no less than thirty (30) days from the date of such requests. In addition, consistent with the Regional Planning Process, any interested stakeholder may submit project ideas for consideration in the Regional Plan without a need for that stakeholder to qualify for a project submittal for purposes of cost allocation. Specific project submittals are treated differently than generalized project ideas. For any project submittal seeking study by the PMC in the Regional Planning Process to address a regional need identified by the PMC (without regard to whether the project seeks cost allocation), a project submittal deposit will be collected and made subject to later true-up based upon the actual cost of the study(ies) performed. Project submittals are accepted through the fifth (5th) quarter of the planning cycle (or first (1st) quarter of the second (2nd) year). A timeline detailing the timing and notice for submission of information and input can be found in Exhibit 1 of this Attachment K.

1. Transmission Customers

   Transmission customers shall generally submit their load forecast and other relevant data through the WestConnect member's (*e.g.*, LADWP's) local transmission planning process. However, from time to time, there may be a need for transmission customers participating in the Regional Planning Process to submit data directly to WestConnect. This data may include, but is not limited to load forecasts, generation resource plans, demand side management resources, proposed transmission upgrade recommendations, and feedback regarding certain assumptions in the planning process.

   No less than thirty (30) days' notice will be given for customers to submit any required data and data submissions will generally be able to be made via email or by posting information to a designated website.

2. Independent Transmission Developers and Owners

   Transmission Developers are entities with project ideas they wish to submit into the Regional Planning Process. These may include project submittals that the developer wishes to be considered to address an identified regional need (whether or not the project is eligible for regional cost allocation).

   Each regional transmission planning cycle will include a submission period for project ideas as described in Section III.C.5 below. Notice of the submission period

is posted on the WestConnect website and is made via email to WestConnect stakeholders. The submission period lasts for no less than thirty (30) days and during this time, any entity that wishes to submit a transmission project for consideration in the Regional Planning Process to address an identified regional need may do so.

Projects proposed by Independent Transmission Developers and Owners are subject to the same Reliability Standards as projects submitted by Transmission Owners with Load Serving Obligations. The project developer shall register with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organizations, and all local, state, regional, and federal requirements.

3. Merchant Transmission Developers

Merchant Transmission Developers are entities pursuing completion of projects that do not wish to have their projects considered for regional cost allocation. Nonetheless, coordination between merchant projects and the Regional Planning Process is necessary to affect a coordinated Regional Plan that considers all system needs.

Each regional transmission planning cycle includes a submission period for project submittals to address an identified regional need, as described in Section III.C.5 below. Notice of the submission period is posted on the WestConnect website and is made via email to WestConnect stakeholders. In addition, it is necessary for merchant transmission developers to provide adequate information and data to allow the PMC to assess the potential reliability and operational impacts of the merchant transmission developer's proposed transmission facilities on other systems in the region. The submission period lasts for no less than thirty (30) days and during this time sponsors of merchant transmission projects that are believed to impact the WestConnect transmission system are asked to provide certain project information.

Projects proposed by Merchant Transmission Developers are subject to the same Reliability Standards as projects submitted by Transmission Owners with Load Serving Obligations. The project developer is responsible for properly registering with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organization and all local, state, regional, and federal requirements.

4. Transmission Owners with Load Serving Obligations

   Transmission Owners that are members of the WestConnect Planning Region are responsible for providing all necessary system information to the Regional Planning Process.

   At the beginning of each regional transmission planning cycle, Transmission Owners that are participating in the Regional Planning Process shall be responsible for verifying the accuracy of any data (including, but not limited to system topology and project proposal information) they have previously submitted. Transmission Owners shall also be required to submit all relevant data for any new projects being proposed for inclusion in the Regional Plan to address an identified regional need in accordance with Section III.C.5 below. Transmission Owners shall also be responsible for submitting any project plans developed through their local transmission planning processes for inclusion in the Regional Plan models.

5. Transmission Project Submittals

   All submittals of transmission projects to address an identified regional need, without regard to whether or not the project seeks regional cost allocation, are to contain the information set forth below, together with the identified deposit for study costs, and be submitted timely within the posted submittal period in order for the project submittal to be eligible for evaluation in the Regional Planning Process. A single project submittal may not seek multiple study requests. To the extent a project proponent seeks to have its project studied under a variety of alternative project assumptions, the individual alternatives must be submitted as individual project submittals. To be eligible to propose a project for selection in the Regional Plan, a project proponent must also be an active member in good standing within one of the five PMC membership sectors:

   - Submitting entity contact information
   - Explanation of how the project is a more efficient or cost-effective solution to regional transmission needs*
   - A detailed project description including, but not limited to, the following:
     - Scope
     - Points of interconnection to existing (or planned) system
     - Operating Voltage and Alternating Current or Direct Current status
     - Circuit configuration (Single, Double, Double-Circuit capable, etc.)
     - Impedance information
     - Approximate circuit mileage

- Description of any special facilities (series capacitors, phase shifting transformers, etc.) required for the project
- Diagram showing geographical location and preferred route; general description of permitting challenges
- Estimated Project Cost and description of basis for that cost*
- Any independent study work of or relevant to the project
- Any WECC study work of or relevant to the project
- Status within the WECC path rating process
- The project in-service date
- Change files to add the project to a standard system power flow model
- Description of plan for post-construction maintenance and operation of the proposed line
- A $25,000 deposit to support the cost of relevant study work, subject to true-up (up or down) based upon the actual cost of the study(ies)*. The true-up will include interest on the difference between the deposit and the actual cost, with such interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations. A description of the costs to which the deposit was applied, how the costs were calculated, and an accounting of the costs will be provided to each project sponsor within 30 calendar days of the completion of the study. Dispute resolution is addressed pursuant to Section VI.
- Comparison Risk Score from WECC Environmental Data Task Force, if available.
- Impacts to other regions. The applicant must provide transmission system impacts studies showing system reliability impacts to neighboring transmission systems or another transmission planning region. The information should identify all costs associated with any required upgrades to mitigate adverse impacts on other transmission systems.

* Merchant transmission developers are exempt from these requirements.

If impact studies and costs are not available at the time of submittal, the project proponent may request that impact studies be performed, at the project proponent's expense, as part of the analysis to determine whether the project is the more efficient or cost-effective solution. Requests for transmission system impact studies are approved through the PMC depending on whether the project proponent provides funding for the analysis. The PMC will provide, subject to appropriate confidentiality and CEII restrictions, the information in the possession of the PMC that an applicant needs to perform

the transmission system impact study and to identify the costs associated with any upgrades required to mitigate adverse impacts.

There is an open submission period for project proposals to address identified regional needs. Notice of the submission period is posted on the WestConnect website and will also be made via email to WestConnect stakeholders. The submission period lasts for no less than thirty (30) days and ends by the fifth (5th) quarter of the WestConnect planning cycle (or first (1st) quarter of the second (2nd) year of the planning cycle). Proposals submitted outside that window will not be considered. The PMC has the authority to determine the completeness of a project submittal. Project submittals deemed incomplete are granted a reasonable opportunity to cure any deficiencies identified in writing by the PMC.

Any stakeholder wishing to present a project submittal to address an identified regional need shall be required to submit the data listed above for the project to be considered in the Regional Planning Process. Should the submitting stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. The PMC retains the sole authority for determining completeness of the information submittal. After the completion of the project submittal period, the PMC posts a document on the WestConnect website detailing why any projects were rejected as incomplete. Upon posting of the document, any project submittal rejected as incomplete is given a reasonable opportunity to cure the reason(s) it was rejected to the satisfaction of the PMC in its sole discretion.

6. Submission of Non-Transmission Alternative Projects

Any stakeholder may submit projects proposing non-transmission alternatives to address an identified regional need for evaluation under the Regional Planning Process. The submission period will last for no less than thirty (30) days. The submission window will end by the fifth (5th) quarter of the WestConnect planning cycle (or first (1st) quarter of the second (2nd) year of the planning cycle). The following criteria must be satisfied in order for a non-trans mission alternative project submittal to be evaluated under the Regional Planning Process:

- Basic description of the project (fuel, size, location, point of contact)
- Operational benefits
- Load offset, if applicable
    - Description of the issue sought to be resolved by the generating facility or non-transmission alternative, including reference to any results of prior technical studies
    - Network model of the project flow study

- Short-circuit data
- Protection data
- Other technical data that might be needed for resources
- Project construction and operating costs
- Additional miscellaneous data (e.g., change files if available)

As with entities submitting a transmission project under Section III.C.5, those who submit under Section III.C.6 a non-transmission alternative under the Regional Planning Process must adhere to and provide the same or equivalent information (and deposit for study costs) as transmission alternatives. Should the submitting stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. Although non-transmission alternative projects will be considered in the Regional Planning Process, they are not eligible for regional cost allocation.

7. The WestConnect Regional Planning Cycle

The WestConnect regional transmission planning cycle is biennial. The WestConnect PMC will develop and publish a Regional Plan every other year.

D Transmission Developer Qualification Criteria

1. In General

A transmission developer that seeks to be eligible to use the regional cost allocation methodology for a transmission project selected in the Regional Plan for purposes of cost allocation must identify its technical and financial capabilities to develop, construct, own, and operate a proposed transmission project. To be clear, satisfaction of the criteria set forth below does not confer upon the transmission developer any right to:

(i) construct, own, and/or operate a transmission project,
(ii) collect the costs associated with the construction, ownership and/or operation of a transmission project,
(iii) provide transmission services on the transmission facilities constructed, owned and/or operated.

The applicable governing governmental authorities are the only entities empowered to confer any such rights to a transmission developer. The PMC is not a governmental authority.

2. Information Submittal

A transmission developer seeking eligibility for potential designation as the entity eligible to use the regional cost allocation for a transmission project selected in the Regional Plan for purposes of cost allocation must submit to the PMC the following information during the first quarter of the WestConnect planning cycle, except that during the first WestConnect planning cycle the PMC shall have the discretion to extend the period for the submission of this information:

a. Overview

A brief history and overview of the applicant demonstrating that the applicant has the capabilities to finance, own, construct, operate and maintain a regional transmission project consistent with Good Utility Practice within the state(s) within the WestConnect Planning Region. The applicant should identify all transmission projects it has constructed, owned, operated and/or maintained, and the states in which such projects are located.

b. Business Practices

A description of the applicant's experience in processes, procedures, and any historical performance related to engineering, constructing, operating and maintaining electric transmission facilities, and managing teams performing such activities. A discussion of the types of resources, including relevant capability and experience (in-house labor, contractors, other transmission providers, etc.) contemplated for the licensing, design, engineering, material and equipment procurement, siting and routing, Right-of-Way (ROW) and land acquisition, construction and project management related to the construction of transmission projects. The applicant should provide information related to any current or previous experience financing, owning, constructing, operating and maintaining and scheduling access to regional transmission facilities.

c. Compliance History

The applicant should provide an explanation of any violation(s) of NERC and/or Regional Entity Reliability Standards and/or other regulatory requirements pertaining to the development, construction, ownership, operation, and/or maintenance of electric transmission facilities by the applicant or any parent, owner, affiliate, or member of the applicant that is an Alternate Qualifying Entity under Section III.A.2.l. Notwithstanding the foregoing, if at the time the applicant submits the information required by this Section III.D.2, the applicant has not developed, constructed, owned, operated or maintained electric transmission facilities, the applicant shall instead submit such information for any electric

distribution or generating facilities it develops, constructs owns, operates and/or maintains, as applicable, to demonstrate its compliance history.

d. Participation in the Regional Planning Process

A discussion of the applicant's participation within the Regional Planning Process or any other planning forums for the identification, analysis, and communication of transmission projects.

e. Project Execution

A discussion of the capability and experience that would enable the applicant to comply with all on-going scheduling, operating, and maintenance activities associated with project development and execution.

f. Right-of-Way Acquisition Ability

The applicant's preexisting procedures and historical practices for siting, permitting, landowner relations, and routing transmission projects including, acquiring ROW and land, and managing ROW and land acquisition for transmission facilities. Any process or procedures that address siting or routing transmission facilities through environmentally sensitive areas and mitigation thereof. If the entity does not have such preexisting procedures, it shall provide a detailed description of its plan for acquiring ROW and land and managing ROW and land acquisition.

g. Financial Health

The applicant must demonstrate creditworthiness and adequate capital resources to finance transmission projects. The applicant shall either have an investment grade credit rating from both S&P and Moody's or provide corporate financial statements for the most recent five years for which they are available. Entities that do not have a credit rating, or entities less than five years old, shall provide corporate financial statements for each year that is available. Alternatively, the applicant may provide a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the PMC.

The following ratios must be provided with any explanations regarding the ratios:

- Funds from operations-to-interest coverage.
- Funds from operation-to-total debt.
- Total debt-to-total capital.

The applicant must indicate the levels of the above ratios the company will maintain during and following construction of the transmission element.
The PMC may request additional information or clarification as necessary.

h. Safety Program

The applicant must demonstrate that it has an adequate internal safety program, contractor safety program, safety performance record and program execution.

i. Transmission Operations

The applicant must: demonstrate that it has the ability to undertake control center operations capabilities, including reservations, scheduling, and outage coordination; demonstrate that it has the ability to obtain required path ratings; provide evidence of its NERC compliance process and compliance history, as applicable; demonstrate any existing required NERC certifications or the ability to obtain any applicable NERC certifications; establish required Total Transfer Capability; provide evidence of storm/outage response and restoration plans;
provide evidence of its record of past reliability performance, as applicable; and provide a statement of which entity will be operating completed transmission facilities and will be responsible for staffing, equipment, and crew training. A potential transmission developer will not be required to have an operations entity under contract at the time it seeks to be eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

j. Transmission Maintenance

The applicant must demonstrate that it has, or has plans to develop, an adequate transmission maintenance program, including staffing and crew training, transmission facility and equipment maintenance, record of past maintenance performance, NERC compliance process and any past history of NERC compliance or plans to develop a NERC compliance program, and provide a statement of which entity will be performing maintenance on completed transmission facilities. A potential transmission developer will not be required to have a maintenance entity under contract at the time it seeks to be eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

k. Regulatory Compliance

The applicant must demonstrate the ability, or plans to develop the ability, to comply with Good Utility Practice, WECC criteria and regional Reliability

Standards, NERC Reliability Standards, construction standards, industry standards, and environmental standards.

l. Affiliation Agreements

A transmission developer can demonstrate that it meets these criteria either on its own or by relying on an entity or entities with whom it has a corporate affiliation or other third parties with relevant experience (Alternate Qualifying Entity(ies)). In lieu of a contractual or affiliate relationship with one or more Alternate Qualifying Entity(ies) and to the extent a transmission developer intends to rely upon third parties for meeting those criteria, the transmission developer must provide in attestation form, an identification of its preferred third-party contractor(s) and indicate when it plans to enter into a definitive agreement with its third-party contractor(s). If the transmission developer seeks to satisfy the criteria in whole or in part by relying on one or more Alternate Qualifying Entity(ies), the transmission developer must submit: (1) materials demonstrating to the PMC's satisfaction that the Alternate Qualifying Entity(ies) meet(s) the criteria for which the transmission developer is relying upon the alternate qualifying entity(ies) to satisfy; and (2) a commitment to provide in any project cost allocation application an executed agreement that contractually obligates the Alternate Qualifying Entity(ies) to perform the function(s) for which the transmission developer is relying upon the Alternate Qualifying Entity(ies) to satisfy.

m. WestConnect Membership

A transmission developer must be a member of either the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector, or must agree to join the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector and agreed to sign the Planning Participation Agreement if the transmission developer seeks to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

n. Other

Any other relevant project development experience that the transmission developer believes may demonstrate its expertise in the above areas.

3. Identification of Transmission Developers Satisfying the Criteria

a. Notification to Transmission Developer

No later than September 30 each year, the PMC notifies each transmission developer whether it has satisfied the stated criteria. A transmission developer failing to satisfy one or more of the qualification criteria is informed of the failure(s) and accorded an additional opportunity to cure any deficiency(ies) within thirty (30) calendar days of notice from the PMC by providing any additional information.

The PMC informs the transmission developer whether the additional information satisfies the qualification criteria within forty-five (45) calendar days of receipt of the additional information.

The PMC identifies the transmission developers that have satisfied the qualification criteria (the "Eligible Transmission Developers") by posting on the WestConnect website, on or before December 31 of each year.

b. Annual Recertification Process and Reporting Requirements

By June 30 of each year, each Eligible Transmission Developer must submit to WestConnect a notarized letter signed by an authorized officer of the Eligible Transmission Developer certifying that the Eligible Transmission Developer continues to meet the current qualification criteria.

The Eligible Transmission Developer shall submit to the PMC an annual certification fee equal to the amount of the WestConnect annual membership fee. If the Eligible Transmission Developer is a member of WestConnect and is current in payment of its annual membership fee, then no certification fee is required.

If at any time there is a change to the information provided in its application, an Eligible Transmission Developer shall be required to inform the PMC chair within thirty (30) calendar days of such change so that the PMC may determine whether the Eligible Transmission Developer continues to satisfy the qualification criteria. Upon notification of any such change, the PMC shall have the option to: (1) determine that the change does not affect the status of the transmission developer as an Eligible Transmission Developer; (2) suspend the transmission developer's eligibility status until any deficiency in the transmission developer's qualifications is cured; (3) allow the transmission developer to maintain its eligibility status for a limited time period, as specified by the PMC, while the transmission developer cures the deficiency; or (4) terminate the transmission developer's eligibility status.

c. Termination of Eligibility Status

The PMC may terminate an Eligible Transmission Developer's status if the Eligible Transmission Developer: (1) fails to submit its annual certification letter; (2) fails to pay the applicable WestConnect membership fees; (3) experiences a change in its qualifications and the PMC determines that it may no longer qualify as an Eligible Transmission Developer; (4) informs the PMC that it no longer desires to be an Eligible Transmission Developer; (5) fails to notify the PMC of a change to the information provided in its application within thirty (30) days of such change; or (6) fails to execute the Planning Participation Agreement as agreed to in the qualification criteria within a reasonable time defined by the PMC, after seeking to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

E. Overview of Regional Planning Methodology and Evaluation Process

The Regional Planning Process is intended to identify regional needs and more efficient or cost-effective solutions to satisfy those needs. Consistent with Order No. 890, qualified projects timely submitted through the Regional Planning Process are evaluated and selected from competing solutions and resources such that all types of resources, as described below, are considered on a comparable basis. The same criteria and evaluation process are applied to competing solutions and/or projects, regardless of type or class of stakeholder proposing them. Where a regional transmission need is identified, the PMC performs studies that seek to meet that need through regional projects, even in the absence of project proposals advanced by stakeholders or projects identified through the WECC process. When the PMC performs a study to meet an identified regional need in circumstances where no stakeholder has submitted a project proposal to meet that regional need, the PMC pursues such studies in a not unduly discriminatory fashion. The study methods employed for PMC-initiated studies are the same types of study methods employed for stakeholder-initiated studies (*see, e.g.*, Section III.F addressing the use of NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects, Section III.G addressing the use of production cost modeling for regional economic projects, and Section III.H addressing the identification of Public Policy Requirements for regional public policy-driven projects).

Solution alternatives are evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to fulfill the identified need practically; (2) ability to meet applicable reliability criteria or NERC Transmission Planning Standards issues; (3) technical, operational and financial feasibility; (4) operational benefits/constraints or issues; (5) cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); (6) where applicable, consistency with Public Policy Requirements or regulatory requirements, including cost recovery through regulated rates; and (7) a project must be determined by the PMC to be a more efficient or cost-effective solution to one or more

regional transmission needs to be eligible for regional cost allocation, as more particularly described below.

The Regional Planning Process provides for an assessment of regional solutions falling in one or more of the following categories:

- Regional reliability solutions
- Regional economic solutions
- Regional transmission needs driven by Public Policy Requirements
- Non-transmission alternatives

LADWP encourages all interested stakeholders to consult the Business Practice Manual for additional details regarding the planning process, timing, and implementation mechanics. A flow chart depicting the Regional Planning Process is attached hereto as Exhibit 1.

All WestConnect Transmission Owners with Load Serving Obligation shall be responsible for submitting their local transmission plans for inclusion in the Regional Plan in accordance with the timeline stated in the Business Practice Manual. Those individual plans are included in the Regional Plan base case system models.

F. WestConnect Reliability Planning Process

Once the base case is established and verified, the PMC performs a regional reliability assessment in which the base case system models are checked for adherence to the relevant NERC or WECC Transmission Planning Reliability Standards, through appropriate studies, including, but not limited to, steady-state power flow, voltage, stability, short circuit, and transient studies as outlined in the Business Practice Manual. If a reliability violation is identified in this power flow process, the violation is referred back to the appropriate Transmission Owner.

The PMC identifies projects to resolve any regional violations that impact more than one Transmission Owner of relevant NERC or WECC Transmission Planning Reliability Standards or WECC criteria. In addition, an opportunity will be afforded to any interested party to propose regional reliability projects that are more efficient or cost-effective than other proposed solutions. The PMC then identifies the more efficient or cost-effective regional transmission project that meets the identified regional transmission need, taking into account factors such as how long the project would take to complete and the timing of the need. Because local Transmission Owners are ultimately responsible for compliance with NERC Reliability Standards and for meeting local needs the local transmission plans will not be modified, however, the PMC may identify more efficient or cost-effective regional transmission projects. The PMC performs the regional reliability assessment and, if necessary, identify a regional need

for transmission projects to resolve any violations that impact more than one Transmission Owner in the fourth quarter of the planning cycle.

G. WestConnect Economic Planning Process

As part of the Regional Planning Process, the PMC analyzes whether there are projects that have the potential to reduce the total delivered cost of energy by alleviating congestion or providing other economic benefits to the WestConnect Planning Region through production cost modeling. This analysis also utilizes WECC Board-approved recommendations to further investigate congestion within the WestConnect Planning Region for congestion relief or economic benefits that has subsequently been validated by WestConnect. Additional projects may also be proposed by WestConnect stakeholders or developed through the stakeholder process for evaluation of economic benefits. Under the Regional Planning Process, the PMC identifies more efficient or cost-effective regional transmission projects, but will not modify local transmission plans.

The WestConnect economic planning process analyzes benefits via detailed production cost simulations. The models employed in the production cost simulations appropriately consider the impact of transmission projects on production cost and system congestion. The WestConnect economic planning process also considers the value of decreased reserve sharing requirements in its development of a plan that is more efficient or cost-effective. As seen in Exhibit 1 of this Attachment K, the PMC develops the production cost modeling analysis in the second (2nd) and third (3rd) quarters of the planning cycle and identify economic transmission projects in the sixth (6th) quarter and parts of the fifth (5th) and seventh (7th) quarters of the planning cycle.

H. WestConnect Public Policy Planning Process

a. Procedures for Identifying Transmission Needs Driven by Public Policy Requirements

It is anticipated that any regional transmission need that is driven by Public Policy Requirements will be addressed initially within the local planning cycles of the individual Transmission Owners in the WestConnect Planning Region through the consideration of local transmission needs driven by a Public Policy Requirement, since a Public Policy Requirement is a requirement that is imposed upon individual Transmission Owners (as opposed to a requirement that is imposed on a geographic region). For those Public Policy Requirements that affect more than one Transmission Owner in the WestConnect Planning Region, a solution identified at the local level to satisfy the local needs of the affected Transmission Owner(s), may also satisfy a regional transmission need identified by the PMC for the WestConnect Planning Region.

WestConnect Transmission Owner members that are planning consistent with Order No. 890 will continue to conduct local transmission planning processes (Section II of this Attachment K), which provide a forum for discussions on local transmission needs driven by Public Policy Requirements. These local processes provide the basis for the individual Transmission Owners' local transmission plans, which are then incorporated into the regional base case at the start of the Regional Planning Process under Order No. 1000.

The PMC provides notice on the WestConnect website of both regional transmission planning meetings convened by the PMC for the WestConnect region, and local transmission planning meetings of the individual Transmission Owners in the WestConnect region.

The PMC begins the evaluation of regional transmission needs driven by Public Policy Requirements by identifying any Public Policy Requirements that are driving local transmission needs of the Transmission Owners in the WestConnect Planning Region, and including them in the transmission system models (the regional base case) underlying the development of the Regional Plan. Then, the PMC seeks the input of stakeholders in the WestConnect region on those Public Policy Requirements in an effort to engage stakeholders in the process of identifying regional transmission needs driven by Public Policy Requirements. The PMC communicates with stakeholders through public postings on the WestConnect website of meeting announcements and discussion forums. In addition, the PMC maintains an email distribution list for those stakeholders who indicate a desire to receive information via electronic list serves.

After allowing for stakeholder input on regional transmission needs driven by Public Policy Requirements and regional solutions to those needs, as part of the Regional Planning Process, the PMC identifies in the Regional Plan those regional transmission needs driven by Public Policy Requirements that were selected by the PMC for evaluation of regional solutions.

In selecting those regional transmission needs driven by Public Policy Requirements that will be evaluated for regional solutions in the current planning cycle, the PMC considers, on a non-discriminatory basis, factors, including but not limited to, the following:

(i) whether the Public Policy Requirement is driving a regional transmission need that can be reasonably identified in the current planning cycle;
(ii) the feasibility of addressing the regional transmission need driven by the Public Policy Requirement in the current planning cycle;
(iii) the factual basis supporting the regional transmission need driven by the Public Policy Requirement; and
(iv) whether a Public Policy Requirement has been identified for which a regional transmission need has not yet materialized, or for which there may exist a regional transmission need but the development of a solution to that need is premature.

No single factor shall necessarily be determinative in selecting among the potential regional transmission needs driven by Public Policy Requirements. The process by which the PMC identifies those regional transmission needs for which a regional transmission solution(s) will be evaluated, out of what may be a larger set of regional transmission needs, utilizes the communication channels it has in place with stakeholders, identified above (open meetings and discussion forums convened by the PMC), through which regional transmission needs driven by Public Policy Requirements may be part of the open dialogue.

b. Procedures for Identifying Solutions to Regional Transmission Needs Driven by Public Policy Requirements

Stakeholders have opportunities to participate in discussions during the Regional Planning Process with respect to the development of solutions to regional transmission needs driven by Public Policy Requirements. Such participation may take the form of attending planning meetings, offering comments for consideration by the PMC on solutions to regional needs driven by Public Policy Requirements, and offering comments on proposals made by other stakeholders or by the PMC. Stakeholders that are members of the WestConnect PMC are performing the function of regional transmission planning and developing regional solutions to identified

regional transmission needs driven by Public Policy Requirements through membership on subcommittees of the PMC.

After allowing for stakeholder input on solutions to regional transmission needs driven by Public Policy Requirements, as part of the Regional Planning Process, the PMC identifies in the Regional Plan those regional transmission solutions driven by Public Policy Requirements that were selected by the PMC and any regional transmission project(s) that more efficiently or cost-effectively meet those needs.

The procedures for identifying and evaluating potential solutions to the identified transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the Regional Planning Process, whether or not submitted for purposes of cost allocation.

The PMC performs a Public Policy Requirements analysis to help identify if a transmission solution is necessary to meet an enacted public policy. For a transmission need driven by Public Policy Requirements, the PMC identifies whether a more efficient or cost-effective regional transmission solution exists based upon several different considerations, including consideration of whether the project is necessary and capable of meeting transmission needs driven by Public Policy Requirements, while also:

(i) Efficiently resolving any criteria violations identified by studies pursuant to any relevant NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects or WECC Transmission Planning Reliability Standards or WECC criteria, as applicable, that could impact more than one Transmission Owner as a result of a Public Policy Requirement or,

(ii) Producing economic benefits shown through detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost, system congestion and the value of decreased reserve sharing requirements.

The PMC develops the public policy analysis in the sixth (6th) quarter and parts of the fifth (5th) and seventh (7th) quarters of the planning cycle.

c. Proposed Public Policy

A public policy that is proposed, but not required (because it is not yet enacted or promulgated by the applicable governmental authority) may be considered through

Section III.G (WestConnect Economic Planning Process) of this Attachment K, if time and resources permit.

d. Posting of Public Policy Needs

WestConnect maintains on its website (i) a list of all transmission needs identified that are driven by Public Policy Requirements and that are included in the studies for the current regional transmission planning cycle; and (ii) an explanation of why other suggested transmission needs driven by Public Policy Requirements will not be evaluated.

I. Consideration of Non-Transmission Alternatives

Non-transmission alternatives submitted in accordance with Section III.C above are evaluated to determine if they will provide a more efficient or cost-effective solution to an identified regional transmission need. Non-transmission alternatives include, without limitation, technologies that defer or possibly eliminate the need for new and/or upgraded transmission lines, such as distributed generation resources, demand-side management (load management, such as energy efficiency and demand response programs), energy storage facilities and smart grid equipment that can help eliminate or mitigate a grid reliability problem, reduce uneconomic grid congestion, and/or help to meet grid needs driven by Public Policy Requirements. Non-transmission alternatives are not eligible for regional cost allocation.

J. Approval of the WestConnect Regional Plan

The Cost Allocation Subcommittee submits, for review and comment, the results of its project benefit/cost analysis and beneficiary determination to the PMC Chair and to the identified beneficiaries of the transmission projects proposed for cost allocation. The PMC shall make available to its Members sufficient information to allow for a reasonable opportunity to comment on the proposed selection. The PMC shall not make a determination on the project benefit/cost analysis and beneficiary determination until it has reviewed all comments. Upon approval of the PMC, the project benefit/cost analysis and beneficiary identifications shall be posted by the PMC on the WestConnect website.

1. CTO Acceptance of Cost Allocation

Each Coordinating Transmission Owner (CTO) beneficiary will indicate whether it accepts the cost allocation for the project, as follows:

a. A CTO Member, in its sole discretion, may elect to accept a cost allocation for each separate transmission facility for which it is identified as a beneficiary, but

only if it notifies the Chair of the PMC in writing of its decision to accept any such cost allocation within sixty (60) calendar days after the benefit/cost analysis is posted by the PMC under this Section III.J; provided, however, that the PMC has the discretion to extend the 60-day period when additional time is necessary for an identified beneficiary to complete its internal review and deliberation process before deciding to accept the cost allocation.

b. A CTO Member giving notice that it elects to accept a cost allocation for a transmission facility may rescind that notice at any time prior to the end of the sixty (60) day period, or such extended period established in this Section III.J.1.

c. A CTO Member that does not accept a cost allocation for a transmission facility will not be subject to cost allocation for that transmission facility.

The information made available under this Section III.J will be electronically masked and made available pursuant to a process that the PMC reasonably determines is necessary to prevent the disclosure of confidential information or CEII contained in the information.

2. Recalculation of Benefits and Costs for Reliability Projects

The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission need(s) which was included within the identification of the region's transmission needs under Sections IV.F through IV.H (for which the regional project would have avoided an alternative reliability project in such CTO's local transmission plan) will be removed as a regional transmission need for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan for purposes of cost allocation.

3. Recalculation of Benefits and Costs for Public Policy Requirements Projects

The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission need(s) which was included within the identification of the region's transmission needs under Sections III.F through III.H (for which the regional project would have avoided an alternative Public Policy Requirements project in such CTO's local transmission plan) will be removed as a regional transmission need for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan

for purposes of cost allocation. This shall include any such CTO's resource needs necessary to comply with Public Policy Requirements.

4. Recalculation of Benefits and Costs for Economic Projects

   The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission benefits which were included within the identification of the regional project's economic benefits under Sections III.F through III.H will be removed as a regional transmission benefit for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan for purposes of cost allocation. This shall include the value of any economic benefits determined through the regional transmission plan to accrue to such CTO.

5. Resultant Increase in Beneficiary Cost Allocation

   Any regional transmission project that continues to meet the region's benefit/cost and other criteria for regional cost allocation will remain eligible for selection in the Regional Plan for purposes of cost allocation.

6. Approval of the WestConnect Regional Transmission Plan

   Upon completion of the process outlined above, the PMC will vote on whether to accept the proposed plan. The Regional Plan will document why projects were either included or not included in the Regional Plan. In addition, the Regional Plan describes the manner in which the applicable regional cost allocation methodology was applied to each project selected in the Regional Plan for purposes of regional cost allocation. Projects that meet system needs are incorporated into the Regional Plan. Participant funded projects and other types of projects may be included in the Regional Plan; however, those projects are not eligible for regional cost allocation.

K. Reevaluation of the WestConnect Regional Plan

The PMC is the governing body responsible for deciding whether to reevaluate the Regional Plan to determine if the conditions, facts and/or circumstances relied upon in initially selecting a transmission project for inclusion in the Regional Plan for purposes of cost allocation have changed and, as a result, require reevaluation. Reevaluation will begin within the second planning cycle following Effective Date, which is the effective date of the Planning Participation Agreement. The Regional Plan and any project selected for cost allocation in the Regional Plan, including any local or single-system transmission projects or planned transmission system upgrades to existing facilities selected for

purposes of cost allocation, shall be subject to reevaluation in each subsequent planning cycle according to the criteria below. Upon reevaluation, the Regional Plan and any projects selected for purposes of cost allocation in connection therewith may be subject to modification, including the status as a project selected for cost allocation, with any costs reallocated under Section VII as if it were a new project. Only the PMC has the authority to modify the status of a transmission project selected for cost allocation. Conditions that trigger reevaluation are:

1. The underlying project characteristics and/or regional or interregional needs change in the Regional Plan. Examples include, but are not limited to: (a) a project's failure to secure a developer, or a developer's failure to maintain the qualifications necessary to utilize regional cost allocation, or (b) a change (increase or decrease) in the identified beneficiaries of a project (which changes may occur through company acquisitions, dissolutions, or otherwise), (c) a change in the status of a large load that contributes to the need for a project, or (d) projects affected by a change in law or regulation;

2. Projects that are delayed and fail to meet their submitted in-service date by more than two (2) years. This includes projects delayed by funding, regulatory approval, contractual administration, legal proceedings (including arbitration), construction delays, or other delays;

3. Projects with significant project changes, including, but not limited to kilovolt (kV), megavolt ampere (MVA), or path rating, number of circuits, number of transmission elements, or interconnection locations; and

4. Projects with a change in the calculation of benefits or benefit/cost (B/C) ratio that may affect whether the project selected for inclusion in the Regional Plan for purposes of cost allocation is a more efficient or cost-effective regional solution.

    a. Example 1: Where an increase in the selected project's costs, including but not limited to, material, labor, environmental mitigation, land acquisition, operations and maintenance, and mitigation for identified transmission system and region, causes the total project costs to increase above the level upon which the project was initially selected for inclusion in the Regional Plan for purposes of cost allocation, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient or cost-effective solution under current cost information.

    b. Example 2: A selected project's benefits may include identification of a reliability benefit in the form of remedying a violation of a Reliability Standard. If the identified beneficiary implements improvements, such as a Remedial Action

Scheme, to achieve reliability in compliance with the Reliability Standard at issue, inclusion of the regional project in the regional plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient or cost-effective solution under current benefit information.

c. Example 3: Where a project's estimated benefits include benefits in the form of avoided costs (e.g., a regional project's ability to avoid a local project), and the project is not avoided, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient or cost-effective solution under current facts and circumstances.

Projects selected for purposes of cost allocation will continue to be reevaluated until all the following conditions have been met:

- State and federal approval processes completed and approved (including cost recovery approval under Section 205 of the Federal Power Act as applicable);
- All local, state, and federal siting permits have been approved; and
- Major construction contracts have been issued.

When the Regional Plan is reevaluated as a result of any of the conditions triggering reevaluation addressed above, the PMC determines if an evaluation of alternative transmission solutions is needed in order to meet an identified regional need. In doing so, the PMC uses the same processes and procedures it used in the identification of the original transmission solution to the regional need. If an alternative transmission solution is needed, the incumbent Transmission Owner may propose one or more solutions that it would implement within its retail distribution service territory or footprint, and if such proposed solution is a transmission facility, the Transmission Owner may submit the project for possible selection in the Regional Plan for purposes of cost allocation.

Projects not subject to reevaluation include, but are not limited to, the following:

- Local or single system transmission projects that have been identified in individual Transmission Owner's Transmission Planning (TPL) Reliability Standards compliance assessments to mitigate reliability issues and that have not been proposed for (and selected by the PMC for) regional cost allocation; and
- Planned transmission system upgrades to existing facilities that have not been proposed for (and selected by the PMC for) regional cost allocation.

  Projects meeting any of the following criteria as of Effective Date will also not be subject to reevaluation under the Regional Planning Process:

- Projects of Transmission Owners who have signed the Planning Participation Agreement and that have received approval through local or state regulatory authorities or board approval;
- Local or single system transmission projects that have been planned and submitted for inclusion in the Regional Plan or exist in the 10-year corporate capital project budgets; and
- Projects that are undergoing review through the WECC Project Coordination and Rating Review Process as of Effective Date.

L. Confidential or Proprietary Information

Although the Regional Planning Process is open to all stakeholders, Stakeholders are required to comply at all times with certain applicable confidentiality measures necessary to protect confidential information, proprietary information or CEII. From time to time the regional transmission planning studies and/or open stakeholder meetings may include access to base case data that are WECC proprietary data, information classified as CEII, or other similar confidential or proprietary information. In such cases, access to such confidential or proprietary information shall be limited to only those stakeholders that (i) hold membership in or execute a non-disclosure agreement (NDA) with WECC (See www.wecc.biz) or (ii) execute a non-disclosure agreement with the applicable WestConnect Planning Region members, as may be applicable.

Any entity wishing to access confidential information, subject to applicable Standards of Conduct requirements, discussed in the Regional Planning Process must execute an NDA, and submit it to mailto:NDA@westconnect.com. A link to the NDA has been provided http://clkrep.lacity.org/onlinedocs/2016/16-0098_misc_5_01-25-2016.pdf.

IV. Coordination at the Western Interconnection Level

LADWP will coordinate its transmission plan on a west-wide regional basis through SWAT and WestConnect. WestConnect will coordinate its regional transmission plan with the other regional plans in the Western Interconnection and at the WECC level.

A. Procedures for Inter-Regional Planning Project Review

1. WECC Coordination of Reliability Planning

    a. WECC develops the Western Interconnection-wide base cases for transmission planning analysis such as power flow, stability and dynamic voltage stability studies. The WECC-approved base cases are used for study purposes by

transmission planners, subregional transmission planning groups, and other entities that have signed non-disclosure agreements with WECC.

b. WECC also maintains a data base for reporting the status of all planned projects throughout the Western Interconnection.
c. WECC provides for coordination of planned projects through its Procedures for Regional Planning project review.
d. WECC's path rating process ensures that a new project will have no adverse effect on existing projects or facilities.

2. WECC Open Stakeholder Meetings

Western Interconnection-wide economic planning studies are conducted by the WECC in an open stakeholder process that holds region-wide stakeholder meetings on a regular basis. The WECC Transmission Planning Protocol, including the WECC procedures for prioritizing and completing regional economic studies, is posted on the WECC website. LADWP participates in the region-wide transmission planning process, as appropriate, to ensure that data and assumptions are coordinated.

3. Role of WECC

WECC provides two primary functions in relation to the LADWP transmission planning process.

a. Development and maintenance of the west-wide economic planning study database.

    i. WECC uses publicly available data to compile a database that can be used by a number of economic congestion study tools.
    ii. WECC's database is publicly available for use in running economic congestion studies. For an interested transmission customer or stakeholder to utilize WECC's Pro-Mod planning model, it must comply with WECC confidentiality requirements.

b. Performance of economic planning studies. WECC has an annual study cycle, described in the WECC Transmission Planning Protocol, during which it will update databases, develop and approve a study plan that includes studying Requesters' high priority economic study requests as determined by the open WECC stakeholder process, perform the approved studies and document the results in a report.
c. Identification of Congested Paths for WestConnect Economic Review. Through TEPPC's economic study process, congested paths may be reviewed

and identified as being candidates for economic transmission studies. Upon WECC Board approval of a designation for such a path, the WestConnect Regional Planning Process will review the path for potential economic transmission solutions.

V. Recovery of Planning Costs

LADWP's costs associated with the Transmission Provider's implementation of this Attachment K, including its share of costs associated with WestConnect, shall be recovered through LADWP's transmission rates. The costs for any regional economic planning study shall be paid for by the Requester of the study. Any costs incurred by any stakeholder for participation in the planning processes set forth in this Attachment K shall be borne by the stakeholder.

VI. Dispute Resolution

Any dispute between a stakeholder and LADWP ("Disputant or Disputants") involving Attachment K shall be conducted in accordance with the Dispute Resolution Process in Section 12 of LADWP's Open Access Transmission Tariff ("OATT").

Disputes Between PMC Members

For disputes between members of the PMC, the following dispute resolution procedures apply:

1. Initiating Dispute Resolution

The disputing PMC member(s) initiates its dispute by providing written notification to the PMC (or a designated sub-committee of the PMC) in accordance with the provisions of the Planning Participation Agreement, in which event the PMC will seek to resolve the dispute through discussion, negotiation and the development of a recommended course of action. The PMC may act to adopt a resolution recommended by its own committee members or sub-committees, or alternatively the disputing parties may act to refer the dispute to arbitration for resolution.

2. Arbitration

A dispute may be referred to arbitration under the governing provisions of the Planning Participation Agreement.

VII. Cost Allocation

A. Allocation of Costs for Local Projects

LADWP will utilize a case-by-case approach to allocate costs for new transmission projects. This approach will be based on the following principles:

1. Solicitation of Interest

LADWP may elect to conduct a solicitation of interest for certain projects. Upon a determination by LADWP to hold solicitation of interest for a transmission project, LADWP will:

a. Announce and solicit interest in the project through informational meetings, its website and/or other meant of dissemination as appropriate.
b. Hold meetings with interested parties and meetings with public utility staffs from potential affected areas.
c. Post information via WECC's planning project review reports.
d. Develop the initial transmission project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments form participants for final cost shares; and secure execution of construction and operating agreements.

2. Allocation of Costs

a. Proportional Allocation
For any project entered into pursuant to a solicitation process; project costs and associated transmission rights will generally be allocated proportionally to project participants subject to a negotiated participation agreement. In the event the process results in a single participant, the full cost and transmission rights will be allocated to that participant.
b. Economic Benefits or Congestion Relief
For any project not wholly within LADWP's local system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester.
c. LADWP's Rate Recovery
Notwithstanding the foregoing provisions, LADWP will not assume cost responsibility for any project if the cost of the project is not approved for recovery in its retail and/or wholesale rates.

4. Exclusions

The cost for projects undertaken in connection with requests for generator interconnection or transmission service in LADWP's systems are governed by the OATT and will not be subject to the provisions of this Attachment K

B. Allocation of Costs for Regional Transmission Planning Projects

For any project determined by the PMC to be eligible for regional cost allocation, project costs will be allocated proportionally to those entities determined by the PMC, as shown in the Regional Plan, to be beneficiaries in the WestConnect Planning Region, as identified in this Attachment K, subject to the processes set forth in Sections II through IV.

The PMC, with input from the CAS, determines whether a project is eligible for regional cost allocation, and assesses the project's costs against its benefits in accordance with the following factors:

- Benefits and beneficiaries will be identified before cost allocation methods are applied.
- Cost assignments shall be commensurate with estimated benefits.
- Those that receive no benefits must not be involuntarily assigned costs.
- A benefit-to-cost ("B/C") threshold of not more than 1.25 shall be used, as applicable, so that projects with significant benefits are not excluded.
- Costs must be allocated solely within the WestConnect Planning Region, unless other regions or entities voluntarily assume costs.
- Costs for upgrades on neighboring transmission systems or other planning regions that are (i) required to be mitigated by the WECC Path Rating process, FERC tariff requirements, or NERC Reliability Standards, or (ii) negotiated among interconnected parties will be included in the total project costs and used in the calculation of B/C ratios.
- Cost allocation method and data shall be transparent and with adequate documentation.
- Different cost allocation methods may be used for different types of projects.

Specifically, the PMC will consider the following projects eligible for cost allocation consideration as further described below based on specified criteria:

- Reliability projects;
- Economic or congestion relief projects; or
- Public policy projects.

Only projects that fall within one or more of these three categories and satisfy the cost-to-benefit analyses and other requirements, as specified herein, are eligible for cost allocation

in the WestConnect Planning Region. LADWP encourages all interested stakeholders to consult the Business Practice Manual for additional details regarding the assessment for eligibility for regional cost allocation. Summary provisions are provided below.[3]

1. Allocation of Costs for Reliability Projects

In order to allocate costs to Transmission Owners for system reliability improvements that are necessary for their systems to meet the NERC TPL standards, the WestConnect cost allocation procedure shall allocate costs for system reliability improvements only when a system improvement is required to comply with the NERC TPL Reliability Standards during the planning horizon.

All components of a Transmission Owner's local transmission plan shall be included in the Regional Plan and shall be considered Local Transmission Projects that are not eligible for regional cost allocation. A system performance analysis shall be performed on the collective plans to ensure the combined plans adhere to all relevant NERC TPL Reliability Standards and stakeholders shall be afforded an opportunity to propose projects that are more efficient or cost-effective than components of multiple Transmission Owner local plans as outlined in Section II.F, above.

Should a reliability issue be identified in the review of the included local transmission plan, the project necessary to address that reliability issue shall be included in the Regional Plan and the cost shall be shared by the utilities whose load contributed to the need for the project.

Should multiple utilities have separate reliability issues that are addressed more efficiently or cost-effectively by a single regional project, that regional project shall be approved for selection in the Regional Plan and the cost shall be shared by those Transmission Owners in proportion to the cost of alternatives that could be pursued by the individual Transmission Owners to resolve the reliability issue. The ultimate responsibility for maintaining system reliability and compliance with NERC Transmission Planning Standards rests with each Transmission Owner.

The costs for regional reliability projects shall be allocated according to the following equation:

(1 divided by 2) times 3 equals 4

Where:

[3] References to "Transmission Owners" in the cost allocation provisions are to transmission owners for which the WestConnect Planning Management Committee is performing the function of regional transmission planning. At present, those Transmission Owners are TOLSO members.

1 is the cost of local reliability upgrades necessary to avoid construction of the regional reliability project in the relevant Transmission Owner's retail distribution service territory or footprint

2 is the total cost of local reliability upgrades in the combination of Transmission Owners' retail distribution service territories or footprints necessary to avoid construction of the regional reliability project

3 is the total cost of the regional reliability project

4 is the total cost allocated to the relevant Transmission Owner's retail distribution service territory or footprint

The manner in which the PMC applied this methodology to allocate the costs of each regional reliability project shall be described in the Regional Plan.

2. Allocation of Costs for Economic Projects

Cost allocation for economic projects associated with congestion relief that provide for more economic operation of the system will be based on the calculation of economic benefits that each Transmission Owner system will receive. Cost allocation for economic projects shall include scenario analyses to ensure that benefits will actually be received by beneficiaries with relative certainty. Projects for which benefits and beneficiaries are highly uncertain and vary beyond reasonable parameters based on assumptions about future conditions will not be selected for cost allocation.

In order for a project to be considered economically-justified and receive cost allocation associated with economic projects, the project must have a B/C ratio that is greater than 1.0 under each reasonable scenario evaluated and have an average ratio of at least 1.25 under all reasonable scenarios evaluated. Costs will be allocated on the basis of the average of all scenarios evaluated. The B/C ratio shall be calculated by the PMC. This B/C ratio shall be determined by calculating the aggregate load-weighted benefit-to-cost ratio for each transmission system in the WestConnect Planning Region. The benefits methodology laid out below ensures that the entities that benefit the most from the completion of an economic project are allocated costs commensurate with those project benefits.

The cost of any project that has an aggregate 1.25 B/C ratio or greater will be divided among the Transmission Owners that show a benefit based on the amount of benefits calculated to each respective Transmission Owner. For example, if a $100 million-dollar project is shown to have $150 million in economic benefit, the entities for which the economic benefit is incurred will be determined. The cost of the project will then be allocated to those entities, based on the extent of each entity's economic benefits relative to the total project benefits. This will ensure that each entity that is allocated cost has a B/C ratio equal to the total project B/C ratio. For example:

- Project with $150 million in economic benefit and $100 million in cost
    - Company 1 has $90 million in benefits; Company 2 has $60 million in benefits
    - Company 1 allocation: 90/150 (100) = $60 million
    - Company 1 B/C ratio: 90/60 = 1.5
    - Company 2 allocation: 60/150 (100) = $40 million
    - Company 2 B/C ratio: 60/40 = 1.5

Other than through the reevaluation process described in Section III.J of this Attachment K, the benefits and costs used in the evaluation shall only be calculated during the planning period and shall be compared on a net present value basis.

The WestConnect economic planning process shall consider production cost savings and reduction in reserve sharing requirements as economic benefits capable of contributing to the determination that a project is economically justified for cost allocation. Production cost savings are determined by the PMC performing a product cost simulation to model the impact of the transmission project on production costs and congestion. Production cost savings will be calculated as the reduction in production costs between a production cost simulation with the project included compared to a simulation without the project. Reductions in reserve sharing requirements are determined by the PMC identifying a transmission project's impact on the reserve requirements of individual transmission systems, and not on the basis of the project's collective impact on a reserve sharing group, as a whole. The production cost models appropriately consider the hurdle rates between transmission systems. The following production cost principles may be applied:

- The production cost savings from a project must be present in each year from the project in-service date and extending out at least ten (10) years.
- Cost savings must be expressed in present-value dollars and should consider the impact of various fuel cost forecasts.
- The production cost study must account for contracts and agreements related to the use of the transmission system (this refers to paths in systems that might be contractually limited but not reliability limited).
- The production cost study must account for contracts and agreements related to the access and use of generation (this refers to generators that might only use spot purchases for fuel rather than firm purchases, or generation that has been designated as network resources for some entities and thus cannot be accessed at will by non-owners).

Access by stakeholders to the PMC's application of its regional cost allocation method for a specific economic transmission project is available in several ways: First, stakeholders that are members of the PMC will have firsthand knowledge of the way in which the regional method was applied to a particular project because the PMC is responsible for performing

the application of the regional cost allocation method. Second, stakeholders that choose not to become members of the PMC may access such information through the WestConnect regional stakeholder process. See Section III.B of this Attachment K. Third, the manner in which the PMC applied this methodology to allocate the costs of each economic project shall be described in the Regional Plan.

In determining which entities shall be allocated costs for economic projects, WestConnect shall compare the economic value of benefits received by an entity with the cost of the project to ensure that each entity allocated cost receives a benefit/cost ratio equal to the aggregate load-weighted benefit-to-cost ratio. These costs allocated to each company shall be calculated based on the following equation:

(1 divided by 2) times 3 equals 4

Where:

1 is the total projected present value of economic benefits for the relevant Transmission Owner

2 is the total projected present value of economic benefits for the entire project

3 is the total cost of the economic project

4 is the total cost allocated to the relevant Transmission Owner

Any Transmission Owner with benefits less than or equal to one percent of total project benefits shall be excluded from cost allocation. Where a project satisfies the B/C ratio, and is determined to provide benefits less than or equal to one percent of total project benefits to an identified Transmission Owner, such benefits will be re-allocated to all other identified beneficiaries on a pro rata basis, in relation to each entity's share of total project benefits.

3. Allocation of Costs for Public Policy Projects

Any transmission system additions that arise from Public Policy Requirements shall be included in the system models used for the WestConnect transmission system studies. Further, any additional system needs that arise from proposed public policy shall be reported by each entity for its own service territory. Decisions on the inclusion of those needs shall be made during the consideration and approval of the system models. Transmission needs driven by Public Policy Requirements will be included in the evaluation of reliability and economic projects.

Except for projects proposed through a Transmission Owner's local planning process, arising out of a local need for transmission infrastructure to satisfy Public Policy Requirements that are not submitted as projects proposed for cost allocation (which are

addressed in Section II of this Attachment K), any projects arising out of a regional need for transmission infrastructure to satisfy the Public Policy Requirements shall be considered public policy projects eligible for evaluation in the Regional Planning Process.

Stakeholders may participate in identifying regional transmission needs driven by Public Policy Requirements. After seeking the input of stakeholders pursuant to the stakeholder participation provisions of Section III, the PMC determines whether to move forward with the identification of a regional solution to a particular regional need driven by Public Policy Requirements. Stakeholders may participate in identifying a regional solution to a regional need driven by Public Policy Requirements pursuant to the stakeholoder participation provisions of Section III, or through membership on the PMC itself. After seeking the input of stakeholders, the PMC determines whether to select a particular regional solution in the regional transmission plan for purposes of cost allocation. The identification of beneficiaries of these projects shall be the entities that shall access the resources enabled by the project in order to meet their Public Policy Requirements.

If an entity accesses resources that were enabled by a prior public policy project, that entity shall need to either share in its relative share of the costs of that public policy project or acquire sufficient transmission service rights to move the resources to its load with the determination left up to the entity or entities that were originally allocated the cost for the public policy project. The costs for public policy projects shall be allocated according to the following equation:

(1 divided by 2) times 3 equals 4

Where:

1 is the number of megawatts of public policy resources enabled by the public policy project for the entity in question

2 is the total number of megawatts of public policy resources enabled by the public policy project

3 is the total project cost

4 is the cost for the public policy project allocated to the entity in question

The process to interconnect individual generation resources would be provided for under the generator interconnection section each utility's OATT and not under this process.

Requests for transmission service that originate in a member's system and terminate at the border shall be handled through that member's OATT. Regional transmission needs necessary to meet Public Policy Requirements shall be addressed through the Public Policy Requirements section of the Regional Planning Process.

The manner in which WestConnect applied this methodology to each public policy project shall be described in the Regional Transmission Plan.

4. Combination of Benefits

In developing a more efficient or cost-effective plan, it is possible for the plan to jointly consider multiple types of benefits when approving projects for inclusion in the Regional Plan. The determination to consider multiple types of benefits for a particular project shall be made through the WestConnect stakeholder process, in which interested stakeholders are given an opportunity to provide input as set forth in Section III of this Attachment K. In determining whether a project would provide multiple benefits, the PMC categorizes the benefits as (a) necessary to meet NERC Transmission Planning Reliability Standards (reliability); (b) achieving production cost savings or a reduction in reserve sharing requirements (economic); or (c) necessary to meet transmission needs driven by Public Policy Requirements, as applicable, using the methods set forth in this Attachment K. The PMC will identify all three categories of benefits in its regional cost allocation process. If a project cannot pass the cost allocation threshold for any one of the three benefit categories, alone (reliability, economic or public policy), the sum of benefits from each benefit category may be considered.

- With respect to a reliability-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater, by a margin of 1.25 to 1, than the result of the equation identified in Section VII.C.1 above (where the result is shown as item 4 in the formula).

- With respect to an economic-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater than the project's cost to each beneficiary under each reasonable scenario evaluated, and must yield an average ratio of at least 1.25 to 1 under all reasonable scenarios evaluated, as described in Section VII.C.2 above.

- With respect to a Public Policy Requirements-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater, by a margin of 1.25 to 1, than the result of the equation identified in Section VII.C.3 above (where the result is shown as item 4 in the formula).

If a single regional transmission project is determined to provide benefits in more than one category, but does not meet the cost-benefit threshold for any single category, the PMC may consider the sum of benefits from each benefit category to determine if the regional transmission project provides, in total, benefits per beneficiary that meet or exceed the region's 1.25 to 1 benefit to cost ratio. To illustrate, consider the following example where a regional project developed to provide public policy requirement benefits might also provide for economic benefits to the same beneficiaries:

A regional project submittal has undergone analysis for its quantifiable benefits and costs and is determined to cost $100 million and produce benefits to identified beneficiaries in two categories: economic benefits of $101 million (on average, under all economic scenarios quantified), and public policy requirement benefits of $70 million. The project is found to fail the cost-benefit threshold for each category, individually, but when the total benefits are combined and the project's total regional benefits per beneficiary are weighed against the project's total costs per beneficiary, the project can be found to meet or surpass the region's 1.25 to 1 benefit to cost ratio per beneficiary:

- The benefits to Beneficiary A of pursuing the regional solution (60% of the regional project's total $171 million in benefits) = $102.6 million. When $102.6 million in project benefits is compared against $60 million in project costs (60% of project costs), it yields a B/C ratio of 1.71 to 1 for Beneficiary A.

- The benefits to Beneficiary B of pursuing the regional solution (40% of the regional project's total $171 million in benefits) = $68.4 million. When $68.4 million in project benefits is compared against $40 million in project costs (40% of project costs), it yields a B/C ratio of 1.71 to 1 for Beneficiary B.

Even though the regional project does not pass the cost allocation threshold in any individual benefit category, the PMC may consider the sum of the project's benefits in all categories.

For those regional projects that satisfy the region's cost allocation threshold, the PMC then will continue its evaluation process by considering whether the regional project meets the region's identified reliability, economic and Public Policy Requirements-driven needs more efficiently or cost-effectively than solutions identified by individual transmission providers in their local transmission planning processes.

The costs for projects that rely upon multiple types of benefits to secure inclusion in the Regional Plan for purposes of cost allocation shall be shared according to the amount of cost that is justified by each type of benefit.

5. Allocation of Ownership and Capacity Rights

An Eligible Transmission Developer that is subject to the Commission's jurisdiction under Section 205 of the Federal Power Act may not recover project costs from identified beneficiaries in the WestConnect Planning Region without securing approval for project cost recovery from FERC through a separate proceeding brought by the Eligible Transmission Developer under Section 205 of the Federal Power Act. In no event will

identified beneficiaries in the WestConnect Planning Region from whom project costs are sought to be recovered under Section 205 be denied either transmission transfer capability or ownership rights proportionate to their allocated costs, as determined by FERC in such proceeding. An Eligible Transmission Developer that is not subject to the Commission's jurisdiction under Section 205 of the Federal Power Act would have to seek cost recovery from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from FERC for project cost recovery pursuant to any other applicable section of the Federal Power Act.

If a project beneficiary receives transmission transfer capability on the project in exchange for transmission service payments, such project beneficiary may resell the transfer capability. Alternatively, a project beneficiary could seek to make a direct capital contribution to the project construction cost (in lieu of making transmission service payments) in which case the project beneficiary would instead receive an ownership percentage in proportion to their capital contribution ("Ownership Proposal"). This Ownership Proposal does not create a right of first refusal for transmission beneficiaries.

An ownership alternative will only be pursued if the Eligible Transmission Developer agrees. The Eligible Transmission Developer and the beneficiaries will enter into contract negotiations to address the many details regarding the capital funding mechanics and timing, as well as other details, such as defining (as between the Eligible Transmission Developer, whether a non-incumbent or incumbent transmission developer, and those receiving ownership interests) responsibility for operations and maintenance, administrative tasks, compliance with governing laws and regulations, etc. These negotiations will take place at arm's length, without any one party having undue leverage over the other.

A transmission project beneficiary should not be expected to pay for its benefits from the project twice: once through a capital contribution, and again through transmission service payments. The Ownership Proposal permits an ownership share in a project that is in the same proportion to a beneficiary's allocable costs, which costs will have been allocated roughly commensurate with the benefits to be gained from the project. This will allow the beneficiary to earn a return on its investment. In addition, it allows those beneficiaries that may not necessarily benefit from additional transfer capability on a new transmission project, whether due to lack of contiguity to the new facilities or otherwise, to realize the benefits through an ownership option.

Any transmission project participant that is identified as a beneficiary of the project might be permitted by the Eligible Transmission Developer to contribute capital (in lieu of transmission service payments) and receive a proportionate share of ownership rights in the transmission project. The Ownership Proposal affords an identified beneficiary who contributes toward the project costs the opportunity to obtain an ownership interest in lieu

of an allocated share of the project costs through transmission service payments for transfer capability on the project; it does not, however, confer a right to invest capital in a project. The Ownership Proposal merely identifies that, to the extent it is agreed among the parties that capital may be contributed toward a transmission project's construction, a proportionate share of ownership rights will follow.

Nothing in this Attachment K with respect to Order No. 1000 cost allocation imposes any new service on beneficiaries. Similarly, nothing in this Attachment K with respect to Order No. 1000 cost allocation imposes on an Eligible Transmission Developer an obligation to become a provider of transmission services to identified beneficiaries simply as a result of a project's having been selected in the Regional Plan for purposes of cost allocation; provided, however, if that Eligible Transmission Developer seeks authorization to provide transmission services to beneficiaries or others, and to charge rates or otherwise recover costs from beneficiaries or others associated with any transmission services it were to propose, it must do so by contract and/or under separate proceedings under the Federal Power Act. The purpose of this Section VII.C.5 is to (a) provide an option to a project developer to negotiate ownership rights in the project with identified beneficiaries, if both the developer and the identified beneficiaries mutually desire to do so, (b) specify that, although Order No. 1000 cost allocation does not impose any new service on beneficiaries, identified beneficiaries have the opportunity to discuss with the project developer the potential for entering into transmission service agreements for transmission capacity rights in the project, and (c) ensure that Order No. 1000 cost allocation does not mean that a project developer may recover project costs from identified beneficiaries without providing transmission transfer capability or ownership rights, and without securing approval for project cost recovery by contract and/or under a separate proceeding under the Federal Power Act.

If an Eligible Transmission Developer is not subject to FERC's jurisdiction under section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from FERC for project cost recovery pursuant to any other applicable section of the Federal Power Act.

6. Project Development Schedule

The WestConnect PMC will not be responsible for managing the development of any project selected for inclusion in the Regional Plan. However, after having selected a project in the Regional Plan, the PMC will monitor the status of the project's development. If a transmission facility is selected for inclusion in the Regional Plan for purposes of cost allocation, the transmission developer of that transmission facility must submit a development schedule that indicates the required steps, such as the granting of state approvals, necessary to develop and construct the transmission facility such that it meets

the regional transmission needs of the WestConnect Planning Region. As part of the ongoing monitoring of the status of the transmission project once it is selected, the Transmission Owners and Providers in the WestConnect Planning Region shall establish the dates by which the required steps to construct must be achieved that are tied to when construction must begin to timely meet the need that the project is selected to address. If such required steps have not been achieved by those dates, then the Transmission Owners and Providers in the WestConnect Planning Region may remove the transmission project from the selected category and proceed with reevaluating the Regional Plan to seek an alternative solution.

7. Economic Benefits or Congestion Relief

For a transmission project wholly within the Transmission Provider's local transmission system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester. A "Requester" is defined as any LADWP transmission customer or other stakeholder, including sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources.

8. LADWP Rate Recovery

Notwithstanding the foregoing provisions, LADWP will not assume cost responsibility for any project if the cost of the project is not approved for recovery in its retail and/or wholesale transmission rates.

9. Selection of a Transmission Developer for Sponsored and Unsponsored Projects

For any project (sponsored or unsponsored) determined by the PMC to be eligible for regional cost allocation and selected in the Regional Plan for purposes of cost allocation, the PMC shall select a transmission project developer according to the processes set forth in this section, provided that selection according to those processes does not violate applicable law where the transmission facility is to be built that otherwise prescribes the entity that shall develop and build the project. Any entity that, pursuant to applicable law for the location where the facilities are to be built, shall or chooses to develop and build the project must submit a project development schedule as required by Section VII.B.6 of this Attachment K, within the timeframe directed by the Business Practice Manual, not to exceed the time period for request for proposal responses.

For any project determined by the PMC to be eligible for regional cost allocation and selected in the Regional Plan for purposes of cost allocation, either sponsored by a transmission developer or unsponsored, that is not subject to the foregoing paragraph, the PMC shall upon posting the selected projects, issue a request for information to all Eligible Transmission Developers under Section III.D.3 of this Attachment K soliciting their interest in developing the project(s).

Each transmission developer shall respond to the request for information indicating its interest in developing the project. The PMC shall post on the WestConnect website the list of all transmission developers who responded with an expression of interest in developing the project(s). The PMC shall provide to each developer indicating interest in developing a project a request for proposals for the identified project(s) with a specified date of return for all proposals. Each transmission developer, or partnership or joint ventures of transmission developers, shall submit information demonstrating its ability to finance, own and construct the project consistent with the guidelines for doing so set forth in the WestConnect Business Practices Manual. The PMC shall assess the submissions according to the following process and criteria:

The evaluation of the request for proposals will be at the direction of the PMC, and will involve representatives of the beneficiaries of the proposed project(s). The evaluation will include, but not be limited to, an assessment of the following evidence and criteria.

- General qualifications of the bidding entity;
- Evidence of financing/financial creditworthiness, including
  - financing plan (sources debt and equity), including construction financing and long-term financing
  - ability to finance restoration/forced outages
  - credit ratings
  - financial statements;
- Safety program and experience;
- Project description, including
  - detailed proposed project description and route
  - design parameters
  - design life of equipment and facilities
  - description of alternative project variations;
- Development of project, including
  - experience with and current capabilities and plan for obtaining state and local licenses, permits, and approvals
  - experience with and current capabilities and plan for obtaining any federal licenses and permits
  - experience with and expertise and plan for obtaining rights of way
  - development schedule
  - development budget;
- Construction, including
  - experience with and current capabilities and plan for project construction
  - third party contractors
  - procurement plan
  - project management (cost and schedule control)

  - construction schedule
  - construction budget (including all construction and period costs;
- Operations, including
  - experience with and current capabilities and plan for project operation
  - experience with and current capabilities and plan for NERC compliance
  - security program and plan
  - storm/outage response plan
  - reliability of facilities already in operation;
- Maintenance capabilities and plans for project maintenance (including staffing, equipment, crew training, and facilities);
- Project cost to beneficiaries, including
  - total project cost (development, construction, financing, and other non- O&M costs)
  - operation and maintenance costs, including evaluation of electrical losses
  - revenue requirement, including proposed cost of equity, FERC incentives, proposed cost of debt and total revenue requirement calculation
  - present value cost of project to beneficiaries.

The PMC shall notify the developers of its determination as to which developer(s) it selected to develop the project(s) responsive to the request for proposal. The selected developer(s) must submit a project development schedule as required by Section VII.C.6 of this Attachment K.

If the PMC determines that a sponsored or unsponsored project fails to secure a developer through the process outlined in this section, the PMC shall remove the project from the Regional Plan.

After the PMC makes a determination, it will post a document on the WestConnect website within 60 days explaining the PMC's determination in selecting a particular transmission developer for a specific transmission project. The information will explain (1) the reasons why a particular transmission developer was selected or not selected, and, if applicable, (2) the reasons why a transmission project failed to secure a transmission developer.

10. No Obligation to Construct

The WestConnect Regional Planning Process is intended to determine and recommend more efficient or cost-effective transmission solutions for the WestConnect Planning Region. After the Regional Plan is approved, due to the uncertainty in the planning process and the need to address cost recovery issues, the Regional Planning Process shall not obligate any entity to construct, nor obligate any entity to commit to construct, any facilities, including any transmission facilities, regardless of whether such facilities are included in any plan. Nothing in this Attachment K or the Planning Participation Agreement or any

cost allocation under the Business Practice Manual or the Planning Participation Agreement will (1) determine any transmission service to be received by, or any transmission usage by, any entity, (2) obligate any entity to purchase or pay for, or obligate any entity to commit to purchase or pay for, any transmission service or usage, or (3) entitle any entity to recover for any transmission service or usage or to recover from any entity any cost of any transmission facilities, regardless of whether such transmission facilities are included in any plan. Without limiting the generality of the foregoing, nothing in this Attachment K, the Business Practice Manual or the Planning Participation Agreement with respect to an Order No. 1000 cost allocation shall preclude WestConnect or any other entity from carrying out any of its statutory authorities or complying with any of its statutory obligations.

11. Binding Order No. 1000 Cost Allocation Methods

Order No. 1000 cost allocation methods as set forth in Section VIII of this Attachment K are binding on identified beneficiaries enrolled in the WestConnect Planning Region, without prejudice to the following rights and obligations: (1) the right of a CTO, at its sole discretion, to decide whether to accept regional cost allocation in accordance with Section III.J; (2) the right and obligation of the PMC to reevaluate a transmission facility previously selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation under Section III.K of this Attachment K; (3) the right and obligation of an Eligible Transmission Developer to make a filing under Section 205 or other applicable provision of the Federal Power Act in order to seek approval from the Commission to recover the costs of any transmission facility selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation; (4) the right and obligation of any interested person to intervene and be heard before the Commission in any Section 205 or other applicable provision proceeding initiated by an Eligible Transmission Developer, including the right of any identified beneficiaries of the transmission facility to support or protest the filing and to present evidence on whether the proposed cost recovery is or is not just and reasonable; and (5) the right and obligation of the Commission to act under Section 205 or other applicable provisions of the Federal Power Act to approve or deny any cost recovery sought by an Eligible Transmission Developer for a transmission facility selected in the regional plan for purposes of Order No. 1000 cost allocation.[4]

12. Impacts of a Regional Project on Neighboring Planning Regions

The PMC studies the impact(s) of a regional transmission project on neighboring planning regions, including the resulting need, if any, for mitigation measures in such neighboring

[4] An Eligible Transmission Developer may not be subject to the Commission's Section 205 jurisdiction. See Section VII.C.5. If an Eligible Transmission Developer is not subject to FERC's jurisdiction under Section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from the Commission for project cost recovery pursuant to any other applicable section of the Federal Power Act.

planning regions. If the PMC finds that a regional transmission project in the WestConnect Planning Region causes impacts on a neighboring planning region that requires mitigation (a) by the WECC Path Rating Process, (b) under FERC OATT requirements, (c) under NERC Reliability Standards requirements, and/or (d) under any negotiated arrangement between the interconnected entities, the PMC includes the costs of any such mitigation measures into the regional transmission project's total project costs for purposes of determining the project's eligibility for regional cost allocation under the procedures identified in Section VII.C of this Attachment K, including application of the region's benefits-to-costs analysis.

The WestConnect Planning Region will not be responsible for compensating a neighboring planning region, Transmission Provider, Transmission Owner, Balancing Area Authority, or any other entity, for the costs of any required mitigation measures, or other consequences, on their systems associated with a regional transmission project in the WestConnect Planning Region, whether identified by the PMC or the neighboring system(s). The PMC does not direct the construction of transmission facilities, does not operate transmission facilities or provide transmission services, and does not charge or collect revenues for the performance of any transmission or other services. Therefore, in agreeing to study the impacts of a regional transmission facility on neighboring planning regions, the PMC is not agreeing to bear the costs of any mitigation measures it identifies. However, the PMC will request of any developer of a regional transmission project selected in the Regional Plan for purposes of cost allocation that the developer design and build its project to mitigate the project's identified impacts on neighboring planning regions. If the project is identified as impacting a neighboring planning region that accords less favorable mitigation treatment to the WestConnect Planning Region than the WestConnect Planning Region accords to it, the PMC will request that the project developer reciprocate by using the lesser of (i) the neighboring region's mitigation treatment applicable to the mitigation of impacts of its own regional projects on the WestConnect Planning Region, or (ii) the PMC's mitigation treatment set forth above in sub-sections (a) through (d).

13. Exclusions

a. The cost for transmission projects undertaken in connection with requests for generation interconnection or transmission service on the LADWP transmission system, which are governed by existing cost allocation methods within LADWP's OATT, shall continue to be so governed and shall not be subject to the provisions of this Attachment K.

b. As provided in LADWP's OATT, and the Transmission Customer's individual service agreement (if applicable), the Transmission Customer or Requester shall be responsible for the installed cost of all new load serving interconnections or upgrades to existing load serving interconnections.

VIII. Interregional Planning

This Section VIII of Attachment K sets forth common provisions, which are to be adopted by or for each Planning Region and which facilitate the implementation of Order No. 1000 interregional provisions. WestConnect is to conduct the activities and processes set forth in this Section VIII of Attachment K in accordance with the provisions of this Section VIII of Attachment K and the other provisions of the Attachment K, as applicable. Nothing in this Section VIII will preclude any transmission owner or transmission provider from taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements. Any Interregional Cost Allocation regarding any ITP (as defined herein) is solely for the purpose of developing information to be used in the regional planning process of each Relevant Planning Region, including the regional cost allocation process and methodologies of each such Relevant Planning Region. References in this Section VIII to any transmission planning processes, including cost allocations, are references to transmission planning processes pursuant to Order No. 1000.

A. Definitions

The following capitalized terms where used in this Section VIII of Attachment K, are defined as follows:

Annual Interregional Coordination Meeting: shall have the meaning set forth in Section VIII.C below.

Annual Interregional Information: shall have the meaning set forth in Section VIII.B below.

Interregional Cost Allocation: means the assignment of ITP costs between or among Planning Regions as described in Section VIII.E.2 below.

Interregional Transmission Project ("ITP"): means a proposed new transmission project that would directly interconnect electrically to existing or planned transmission facilities in two or more Planning Regions and that is submitted into the regional transmission planning processes of all such Planning Regions in accordance with Section VIII.D.1.

Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language: means this Section VIII, which relates to Order No. 1000 interregional provisions.

Planning Region: means each of the following Order No. 1000 transmission planning regions insofar as they are within the Western Interconnection: California Independent System Operator Corporation, ColumbiaGrid, Northern Tier Transmission Group, and WestConnect.

Relevant Planning Regions: means, with respect to an ITP, the Planning Regions that would directly interconnect electrically with such ITP, unless and until such time as a Relevant Planning Region determines that such ITP will not meet any of its regional transmission needs in accordance with Section VIII.D.2, at which time it shall no longer be considered a Relevant Planning Region.

A. Annual Interregional Information Exchange

Annually, prior to the Annual Interregional Coordination Meeting, WestConnect is to make available by posting on its website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in WestConnect's transmission planning region and potential solutions thereto:

1. Study plan or underlying information that would typically be included in a study plan, such as:

   (a) identification of base cases;

   (b) planning study assumptions; and

   (c) study methodologies;

1. Initial study reports (or system assessments); and
2. Regional transmission plan

(collectively referred to as "Annual Interregional Information").

WestConnect is to post its Annual Interregional Information on its website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process WestConnect's Annual Interregional Information. WestConnect may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

WestConnect is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by WestConnect in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region, or (iii) any information if WestConnect reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission's Orders covering the standards of conduct for transmission providers. Annual Interregional Information made available or otherwise provided by WestConnect shall be subject to applicable confidentiality and CEII restrictions and other applicable

laws, under WestConnect's regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by WestConnect shall be "AS IS" and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of WestConnect, including any liability for (a) any errors or omissions in such Annual Interregional Information, or (b) any delay or failure to provide such Annual Interregional Information.

B. Annual Interregional Coordination Meeting

WestConnect is to participate in an Annual Interregional Coordination Meeting with the other Planning Regions. WestConnect is to host the Annual Interregional Coordination Meeting in turn with the other Planning Regions, and is to seek to convene such meeting in February, but not later than March 31st. The Annual Interregional Coordination Meeting is to be open to stakeholders. WestConnect is to provide notice of the meeting to its stakeholders in accordance with its regional transmission planning process.

At the Annual Interregional Coordination Meeting, topics discussed may include the following:

1. Each Planning Region's most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);

2. Identification and preliminary discussion of interregional solutions, including conceptual solutions, that may meet regional transmission needs in each of two or more Planning Regions more cost effectively or efficiently; and

3. Updates of the status of ITPs being evaluated or previously included in WestConnect's regional transmission plan.

C. ITP Joint Evaluation Process

1. Submission Requirements

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to Section VIII.D.2 by submitting the ITP into the regional transmission planning process of each Relevant Planning Region in accordance with such Relevant Planning Region's regional transmission planning process and no later than March 31st of any even-numbered calendar year. Such proponent of an ITP seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region must submit the ITP to each such Planning Region in accordance with such Planning Region's regional transmission planning process. In addition to satisfying each Relevant Planning Region's information requirements, the proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions to which the ITP is being submitted.

2. Joint Evaluation of an ITP

For each ITP that meets the requirements of Section VIII.D.1, WestConnect (if it is a Relevant Planning Region) is to participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the ITP's submittal in accordance with Section VIII.D.1 or the immediately following calendar year. With respect to any such ITP, WestConnect (if it is a Relevant Planning Region) is to confer with the other Relevant Planning Region(s) regarding the following:

(i) ITP data and projected ITP costs; and

(ii) The study assumptions and methodologies it is to use in evaluating the ITP pursuant to its regional transmission planning process.

For each ITP that meets the requirements of Section VIII.D.1, WestConnect (if it is a Relevant Planning Region):

(i) is to seek to resolve any differences it has with the other Relevant Planning Regions relating to the ITP or to information specific to other Relevant Planning Regions insofar as such differences may affect WestConnect's evaluation of the ITP;

(ii) is to provide stakeholders an opportunity to participate in WestConnect's activities under this Section VIII.D.2 in accordance with its regional transmission planning process;

(iii) is to notify the other Relevant Planning Regions if WestConnect determines that the ITP will not meet any of its regional transmission needs; thereafter

WestConnect has no obligation under this Section VIII.D.2 to participate in the joint evaluation of the ITP; and

(iv) is to determine under its regional transmission planning process if such ITP is a more cost effective or efficient solution to one or more of WestConnect's regional transmission needs.

D. Interregional Cost Allocation Process

1. Submission Requirements

For any ITP that has been properly submitted in each Relevant Planning Region's regional transmission planning process in accordance with Section VIII.D.1, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost allocation from WestConnect and each other Relevant Planning Region in accordance with its regional transmission planning process. The proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions in which Interregional Cost Allocation is being requested.

2. Interregional Cost Allocation Process

For each ITP that meets the requirements of Section VIII.E.1, WestConnect (if it is a Relevant Planning Region) is to confer with or notify, as appropriate, any other Relevant Planning Region(s) regarding the following:

(i) Assumptions and inputs to be used by each Relevant Planning Region for purposes of determining benefits in accordance with its regional cost allocation methodology, as applied to ITPs;

(ii) WestConnect's regional benefits stated in dollars resulting from the ITP, if any; and

(iii) Assignment of projected costs of the ITP (subject to potential reassignment of projected costs pursuant to Section VIII.F.2 below) to each Relevant Planning Region using the methodology described in this Section VIII.E.2.

For each ITP that meets the requirements of Section VIII.E.1, WestConnect (if it is a Relevant Planning Region):

(a) is to seek to resolve with the other Relevant Planning Regions any differences relating to ITP data or to information specific to other Relevant Planning Regions insofar as such differences may affect WestConnect's analysis;

(b) is to provide stakeholders an opportunity to participate in WestConnect's activities under this Section VIII.E.2 in accordance with its regional transmission planning process;

(c) is to determine its regional benefits, stated in dollars, resulting from an ITP; in making such determination of its regional benefits in WestConnect, WestConnect uses its regional cost allocation methodology, as applied to ITPs;

(d) is to calculate its assigned *pro rata* share of the projected costs of the ITP, stated in a specific dollar amount, equal to its share of the total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the ITP;

(e) is to share with the other Relevant Planning Regions information regarding what its regional cost allocation would be if it were to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation; WestConnect may use such information to identify its total share of the projected costs of the ITP to be assigned to WestConnect in order to determine whether the ITP is a more cost effective or efficient solution to a transmission need in WestConnect;

(f) is to determine whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation, based on its regional transmission planning process; and

(g) is to endeavor to perform its Interregional Cost Allocation activities pursuant to this Section VIII.E.2 in the same general time frame as its joint evaluation activities pursuant to Section VIII.D.2.

E. Application of Regional Cost Allocation Methodology to Selected ITP

1. Selection of all Relevant Planning Regions

If WestConnect (if it is a Relevant Planning Region) and all of the other Relevant Planning Regions select an ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Section VIII.E.2(d) or VIII.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

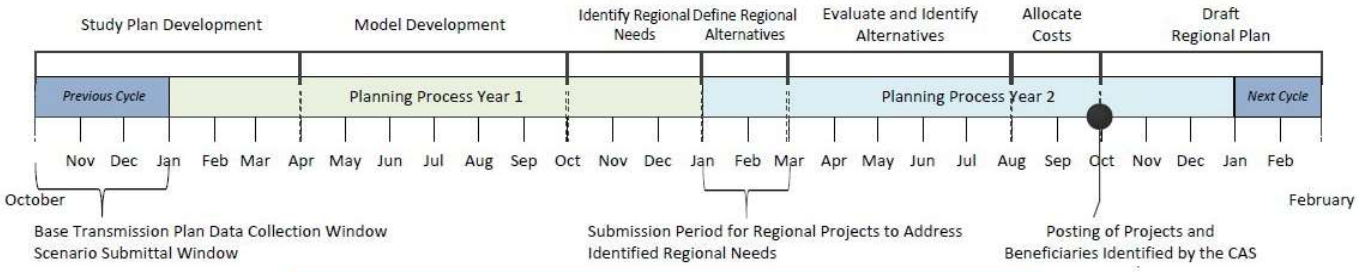
2. Selection by at Least Two but Fewer than All Relevant Planning Regions

If WestConnect (if it is a Relevant Planning Region) and at least one, but fewer than all, of the other Relevant Planning Regions select the ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation,

WestConnect is to evaluate (or reevaluate, as the case may be) pursuant to Sections VIII.E.2(d), VIII.E.2(e), and VIIIE.2(f) above whether, without the participation of the non-selecting Relevant Planning Region(s), the ITP is selected (or remains selected, as the case may be) in its regional transmission plan for purposes for Interregional Cost Allocation. Such reevaluation(s) are to be repeated as many times as necessary until the number of selecting Relevant Planning Regions does not change with such reevaluation.

If following such evaluation (or reevaluation), the number of selecting Relevant Planning Regions does not change and the ITP remains selected for purposes of Interregional Cost Allocation in the respective regional transmission plans of WestConnect and at least one other Relevant Planning Region, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections VIII.E.2(d) or VIII.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

Exhibit 1



Regional Planning Process Activity	Activity Timeframe
Stakeholder meetings	WestConnect will hold open stakeholder meetings on at least a semi-annual basis, or as needed and noticed by the PMC with 30 days advance notice, to update stakeholders about its progress in developing the Regional Plan and to solicit input regarding material matters of process related to the regional transmission plan.
Base transmission plan data collection window	The PS will initiate development of the base transmission plan no later than Quarter 8 of the previous biennial planning cycle and in conjunction with initiating the development of the Regional Study Plan. The submittal window for projects to be considered as part of the base transmission plan will be noticed a minimum of 15 days before the window opens, and the submittal window will stay open for a minimum of 30 days.
Scenario submittal window	A scenario submittal window will open when the development of the Regional Study Plan commences and no later than Quarter 8 of the previous biennial planning cycle. The scenario submittal window will be noticed a minimum of 15 days before the window opens, and the submittal window will stay open for a minimum of 30 days.
Identification of regional needs	Identified regional needs will be posted to the WestConnect website no later than close of Quarter 4 of the first year of the biennial cycle.
Submission Period for Regional Projects to Address Identified Regional Needs	For consideration in the current planning cycle, projects must be submitted following the posting of identified regional needs to the WestConnect website, and must occur before the end of Quarter 5 of the biennial planning cycle. Any project submitted after this date will be considered in the next subsequent planning cycle.

ATTACHMENT L

Creditworthiness Procedures

1. PURPOSE

For purposes of determining the ability of the Transmission Customer to meet its obligations pursuant to the Tariff, the Transmission Provider will apply the credit review procedures described herein.

Prior to the execution of a Service Agreement, the Transmission Provider will review the Transmission Customer's creditworthiness and thereafter as described herein by the Transmission Provider. This can be accomplished by contacting the Department's Credit Management Group at 213-367-4339. The Credit Management Group will inform the Transmission Group's Contract Manager when credit has been established. After the Transmission Service Agreement is signed, the Credit Management Group will establish the counterparty in its risk reporting system.

2. SECURED AND UNSECURED CREDIT CRITERIA

2.1 Unsecured Credit

A. Criteria Used to Determine Eligibility for Unsecured Credit

The Transmission Customer must meet one the following criteria to be eligible for unsecured credit:

1. Be a load serving entity, which means the Transmission Customer is a distribution utility or an electric utility that has a service obligation to its retail customers; or
2. Have or have a parent company with an investment-grade credit rating from at least one of the following national credit rating organizations: Standard & Poor's (S&P), Moody's Investor Services (Moody's), or Fitch Ratings (Fitch); and have an Expected Default Frequency (EDF) equivalent of investment-grade when calculated using the Moody's EDF criteria or the S&P EDF criteria. If the Transmission Customer has more than one rating, the lowest rating must be investment grade.

B. Maximum Unsecured Credit Available to an Eligible Transmission Customer

The maximum unsecured credit for physical power, transmission, and physical gas that may be extended to a Customer that is eligible for unsecured credit is identified in the Table below:

Category	Maximum Unsecured Credit Limit[(1)]
Investment Grade	$5,000,000
Non-Rated Subsidiary with Parent Guaranty	$2,000,000
Non-Rated Internal Scored[(2)]	$1,000,000
Non-Investment Grade	$0

(1) Limits are not to exceed 1.00% of the counterparty's most recent stockholders' equity.

(2) Internal Scores are derived from assessments of the financial strength and corresponding ability to pay on a timely basis.

C. Criteria used to Establish the Unsecured Credit Available to an Eligible Transmission Customer

The Transmission Provider will determine the unsecured credit available to an eligible Transmission Customer on a case-by-case basis based on:

1. Quantitative factors including capital structure; liquidity and financial flexibility; and financial statements, including profitability and cash flow, in particular; and
2. Qualitative factors including the Transmission Customer's payment history; the anticipated nature, volume, tenor, and notional value of transactions with the Transmission Provider; management; relevant contractual obligations, including any netting provisions; governance policies; ownership structure; litigation and contingencies; and financial and accounting policies.

D. Unsecured Credit Administration

Once a credit limit has been reached no additional sales may be made until payment or additional credit assurance is received. If at any time a Transmission Customer fails to pay unsecured amounts owed to Transmission Provider, the credit limit is reduced to zero.

2.2 Secured Credit

A. Transmission Customers Required to Provide Security

Security is required from Transmission Customers that do not qualify for unsecured credit or that exceed unsecured credit limits.

B. Acceptable Forms of Security

Transmission Provider will accept any of the following forms of security from Transmission Customers required to provide security:

1. An irrevocable letter of credit in a form reasonably acceptable to Transmission Provider issued by a financial institution acceptable to the Transmission Provider and possesses a credit rating of at least A3 by Moody's, A- by S&P, or A- by Fitch;
2. A payment (parent) guarantee issued by an investment rated parent company or other in pre-approved payment (parent) guarantee language;
3. An escrow trust account;
4. A surety/performance bond; or
5. A prepayment of at least ten days prior to transmission service and no interest will be paid thereon.

C. Amount of Required Security

A Transmission Customer required to provide security shall provide security in an acceptable form in an amount equal to the lesser of the amount of the total contract notional value or the notional value of anticipated transmission services for a rolling 60-day period.

3. CREDIT EVALUATION AND REEVALUATION

The creditworthiness of a Transmission Customer will be reevaluated annually, and may be reevaluated more frequently if the Transmission Provider has reasonable grounds there has been deterioration in the Transmission Customer's creditworthiness. The Transmission Provider may adjust a Transmission Customer's credit limit and/or any required security based on the results of such reevaluation.

The Transmission Provider shall notify the Transmission Customer when credit requirements are not met and additional security is required. The Transmission

Customer shall provide Transmission Provider with additional security in an acceptable form within 3 business days of notification by Transmission Provider that its credit requirements are not met or additional security is required.

4. DELINQUENCIES AND ADVERSE EVENTS

When the Transmission Customer's account becomes past due, the Transmission Provider will stop conducting any new business with the Transmission Customer until the matter is resolved. Upon notification of a Transmission Customer's bankruptcy, no new business will be conducted with the Transmission Customer and its credit limit will be reduced to zero. Upon emergence from bankruptcy, the Transmission Customer must be firmly reestablished in the marketplace as evidenced by its return to an investment grade credit status by S&P, Moody's, or Fitch or by successfully participating in the market for at least one year, before the Transmission Customer can reapply for credit under the regular procedures outlined in this Attachment L.

5. CREDIT DISPUTES

A Transmission Customer may request a written explanation of how the Transmission Provider applied the credit evaluation and security requirements of this Attachment L to the Transmission Customer. The Transmission Customer may contest any determination of credit limit or required security by submitting a written explanation of its reasons for disagreeing with such credit limit or security to the Transmission Provider. Within thirty (30) business days of receiving Transmission Customer's written explanation, the Transmission Provider will review and provide a written response to the Transmission Customer.

6. CONTACT

Transmission Customers with credit questions are directed to contact:

Tiffany He
(213) 367-4205
Tiffany.he@ladwp.com

ATTACHMENT M

Large Generator Interconnection Procedures

LOS ANGELES DEPARTMENT OF WATER AND POWER

LARGE GENERATOR

INTERCONNECTION PROCEDURES (LGIP)

including

LARGE GENERATOR

INTERCONNECTION AGREEMENT (LGIA)

Standard Large Generator
Interconnection Procedures (LGIP)
(Applicable to Generating Facilities that exceed 20 MW)

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Appendix 2 – Informational Interconnection Study Request

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Appendix 6 – Form Large Generator Interconnection Agreement

Appendix 7 – Interconnection Procedure for a Non-Synchronous Generating Facility

Large Generator
Interconnection Procedures (LGIP)
(Applicable to Generating Facilities that exceed 20 MW)

Section 1. Definitions

In addition to other terms defined within this LGIP, the following terms, whether in the singular or plural, when used herein and in appendices attached hereto and initially capitalized, shall have the meanings specified below:

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

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

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

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

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

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

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

Applicable Reliability Standards shall mean the requirements and guidelines of NERC or its successor, as the Applicable Reliability Council, and the Balancing Authority Area of the Transmission System to which the Generating Facility is directly interconnected.

Balancing Authority shall mean the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.

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

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

Breaching Party shall mean a Party that is in Breach of the provisions of an LGIA.

Bureau of Land Management (BLM) shall mean the U.S. Department of the Interior, Bureau of Land Management, or its successor agency, which manages federal public lands.

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

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

Cluster shall mean a group of Interconnection Requests (one or more) that are studied together for the purpose of conducting the Cluster Study.

Cluster Area shall mean the areas of the Transmission Provider's Transmission System that are included together in a Cluster, as described further in Section 7.4 of this LGIP.

Cluster Request Window shall have the meaning set forth in Section 4.2.1 of this LGIP.

Cluster Re-Study shall mean a re-study of a Cluster Study conducted pursuant to Section 7.4 of this LGIP.

Cluster Re-Study Report shall mean the report issued followed completion of a Cluster Re-Study pursuant to Section 7.4 of this LGIP.

Cluster Re-Study Meeting shall mean the meeting held to discuss the results of a Cluster Re-Study pursuant to Section 7.4 of this LGIP.

Cluster Study shall mean an Interconnection Study evaluating one or more Interconnection Requests within a Cluster, as described in more detail in Section 7.4 of this LGIP.

Cluster Study Agreement shall mean the form of agreement contained in Appendix 3 to the Standard Large Interconnection Procedures for conducting the Cluster Study.

Cluster Study Report shall mean the report issued following completion of a Cluster Study pursuant to Section 7.4 of this LGIP.

Cluster Study Report Meeting shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7.4 of this LGIP.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, as described in more detail in Section 7.

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

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

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

Contingent Facilities shall mean 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 Re-Studies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Customer Engagement Window shall have the meaning set forth in Section 7.2 of this LGIP.

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

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

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

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

Effective Date shall mean the date on which the Large Generator Interconnection Agreement becomes effective upon execution by the Parties.

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

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

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

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

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

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

Financial Security shall mean any of the forms of collateral or security listed in Section 2.2 of the Creditworthiness Procedures included in Attachment L to this Tariff.

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

Generating Facility shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

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

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

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof. In this context Transmission Provider does not include the City of Los Angeles or the Board of Water and Power Commissioners. Transmission Provider only includes the Department of Water and Power.

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

Informational Interconnection Study shall mean an analysis based on assumptions specified by Interconnection Customer in the Informational Interconnection Study Agreement and conducted pursuant to Section 6 of this LGIP.

Informational Interconnection Study Agreement shall mean the form of agreement contained in Appendix 2A to the Standard Large Generator Interconnection Procedures for conducting the Informational Interconnection Study.

Informational Interconnection Study Request shall mean an Interconnection Customer's request in the form of Appendix 2 to the Standard Large Generator Interconnection Procedures.

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

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

Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System. For purposes of the Transmission Provider's Cluster Study process conducted pursuant to Section 7

of this LGIP, and except as modified by Section 3 of Attachment N of the Transmission Provider's Tariff, "Interconnection Customer" shall also mean any Small Generating Facility that is participating in a Cluster.

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

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades. Interconnection Facilities may be shared by more than one Generating Facility in a Cluster.

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

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

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System. For purposes of the Transmission Provider's Cluster Study process conducted pursuant to Section 7 of this LGIP, and except as modified by Section 1.3 of Attachment N of the Transmission Provider's Tariff, "Interconnection Request" shall also mean any interconnection request from a Small Generating Facility that is participating in a Cluster.

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

Interconnection Service Level or **Level of Interconnection Service** shall mean the maximum amount of electrical output (MW) requested by the Interconnection customer to be injected at the Point of Interconnection.

Interconnection Study shall mean any of the following studies: the Informational Interconnection Study, the Cluster Study, the Surplus Interconnection Service System Impact Study, and the Interconnection Facilities Study described in this LGIP.

IRS shall mean the Internal Revenue Service.

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

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

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

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

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

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

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

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

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

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall have the meaning ascribed in Section 13.5 of this LGIP.

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

Permissible Technological Advancement shall mean a change to the Generating Facilities of the Interconnection Customer's Interconnection Request that: (1) results in the inclusion of technologies that achieve cost and/or grid performance efficiencies; (2) results in electrical performance equal to or better than the electrical performance expected prior to the technology change; (3) would not trigger a Material Modification, as defined in this LGIP; and (4) would not cause any reliability concerns relative to short circuit capability limits, steady-state

thermal and voltage limits, or dynamic system stability and response. Permissible technological advancements may include advancements to turbines, inverters, plant supervisory controls, or other technological advancements that may enhance a generating facility's ability to provide ancillary services, but do not include changes in generation technology or fuel type (including the energy source behind an inverter).

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

Point of Delivery shall have the meaning ascribed in the Tariff.

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

Point of Receipt shall have the meaning ascribed in the Tariff.

Preliminary Plan of Development ("PPOD") shall mean the plan required to be submitted to the BLM, if any, to obtain necessary permits or Right-of-Way grants as may be required for the construction of the Generating Facility and Interconnection Customer Interconnection Facilities, which are to be sited, all or partially, on BLM-managed lands.

Provisional Interconnection Service shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time that Interconnection Customer satisfies all of the requirements of Sections 3, 4, and 7 to enter the Cluster Study Process.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under this LGIP or the LGIA, 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.

Readiness Milestone Options shall mean the options set forth in Section 3.4.1(v) of the LGIP.

Resource Plan shall mean any process authorized or required by Applicable Laws and Regulations for, inter alia, the selection of Generating Facilities.

Resource Solicitation Process shall mean any process authorized or required by Applicable Laws and Regulations for the acquisition of Network Resources.

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

Site Control shall mean 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 interest in a site of sufficient size to construct and operate the Generating Facility; or (3) any other documentation that clearly demonstrates the right of the Interconnection Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. For purposes of lands managed by a governmental entity (such as BLM), a PPOD or equivalent government-issued documentation, shall be sufficient for demonstrating Site Control as to such government-managed land. Site Control for any co-located project is demonstrated by a contract or other agreement demonstrating shared land use for all co-located projects that meet the aforementioned provisions of this Site Control definition.

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

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Large Generator Interconnection

Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the TransmissionProvider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service established in a 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.

Surplus Interconnection Service System Impact Study shall mean an engineering study that evaluates the impact of a proposed request for Surplus Interconnection Service on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in these Large Generator Interconnection Procedures.

Surplus Interconnection Service System Impact Study Agreement shall mean the form of agreement contained in Appendix 5 of these Large Generator Interconnection Procedures for conducting a system impact study for purposes of evaluating a request for Surplus Interconnection Service pursuant to Section 3.3 of this LGIP.

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

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

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

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

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades. Transmission Provider's Interconnection Facilities may be shared by more than one Generating Facility in a given Cluster Study.

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

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

Withdrawal Penalty shall have the meaning set forth in Section 3.7.1 of this LGIP.

Section 2. Scope and Application

2.1 Application of Large Generator Interconnection Procedures

Sections 2 through 13 apply to processing an Interconnection Request pertaining to a Large Generating Facility. As provided in Section 3 of Attachment N the Tariff, Small Generating Facilities that are not eligible for the fast track or inverter process will be processed in a single study process with Large Generating Facilities. Additionally, Small Generating Facilities requesting Network Resource Interconnection Service shall be processed under this LGIP. As provided for in Section 3 of Attachment N, interconnection requests for Small Generating Facilities may be studied together in Clusters with Interconnection Requests for Large Generating Facilities.

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 will use the same Reasonable Efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Generating Facilities are owned by Transmission Provider, its subsidiaries or 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 the 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 transmission expansion plan has been submitted and approved by the applicable authority.

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 EIM Requirements.

The Interconnection Customer shall have a continuing duty to comply with Attachment O of this Tariff, as applicable.

Section 3. Interconnection Requests and Informational Interconnection Study Requests

3.1 Interconnection Requests

An Interconnection Customer shall submit to Transmission Provider, during a Cluster Request Window, an Interconnection Request in the form of Appendix 1 to this LGIP and a refundable deposit of: (a) $75,000 for requests of less than 50

MW; (b) $150,000 for requests of 50 MW and greater, but less than 200 MW; or (c) $250,000 for requests of 200 MW and greater. Pursuant to Section 4.2.2, Transmission Provider shall apply the deposit toward a Cluster Study into which Interconnection Customer is admitted including such Interconnection Customer's individual Facilities Study, and shall be used to process Interconnection Customer's request. For Small Generating Facilities, the appropriate application fee or deposit shall be determined pursuant to Section 1.3 of Attachment N of the Tariff. Interconnection Customer shall submit a separate Interconnection Request for each site and may submit multiple Interconnection Requests for a single site. Interconnection Customer must submit a deposit with each Interconnection Request even when more than one request is submitted for a single site. 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 the Scoping Meeting 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 of Interconnection to be studied no later than the execution of the Cluster Study Agreement. For purposes of clustering Interconnection Service requests, Transmission Provider may make reasonable changes to the requested Point of Interconnection to facilitate efficient interconnection of Interconnection Customers at common Points of Interconnection. Transmission Provider shall notify Interconnection Customers in writing of any intended changes to the requested Point of Interconnection 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 the 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 the Interconnection Customer. Interconnection Customers may be subject to additional control technologies as

well as testing and validation of those technologies consistent with Article 6 of the LGIA. The necessary control technologies and protection systems shall be established in Appendix C of that executed 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 of five (5) Business Days after the initial Cluster Study Report Meeting held under Section 7.4(c). Interconnection Customer may then elect to proceed with Network Resource Interconnection Service or to proceed under a lower Level of Interconnection Service 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 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 in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers. 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, 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. The Transmission Provider may also study the Transmission System under non-peak load conditions. However, upon request by the Interconnection Customer, the Transmission Provider must explain in writing to the 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.

3.3.1 Surplus Interconnection Service Requests.

Surplus Interconnection Service requests may be made by the existing Interconnection Customer whose Generating Facility is already interconnected or one of its Affiliates. 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 or Cluster Study 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.

All notifications and requests for Surplus Interconnection Service shall be submitted in accordance with the Transmission Provider's Business Practice, posted on its OASIS, and shall be processed outside of the interconnection queue. In order to deem a request for Surplus Interconnection Service valid and complete, a deposit of $25,000 must be received by the Transmission Provider. After a request for Surplus Interconnection Service has been deemed valid and complete by the Transmission Provider, the Transmission Provider will notify the Interconnection Customer and schedule the Scoping Meeting within five (5) Business Days.

3.3.2 Surplus Interconnection Service System Impact Study.

3.3.2.1 Within five (5) Business Days following the Scoping Meeting, Interconnection Customer shall specify for inclusion in the attachment to the Interconnection System Impact Study Agreement its requested Point(s) of Interconnection. Within five (5) Business Days following Transmission Provider's receipt of such Point(s) of Interconnection, Transmission Provider shall tender to Interconnection Customer the Surplus Interconnection Service System Impact Study Agreement in the form of Appendix 5 of this LGIP signed by Transmission Provider, which includes a good faith estimate of the estimated timeframe for completing the Surplus Interconnection Service System Impact Study. The Surplus Interconnection Service System Impact Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Surplus Interconnection Service System Impact Study.

3.3.2.2 Interconnection Customer shall execute the Surplus Interconnection Service System Impact Study Agreement and deliver the executed Surplus Interconnection Service System Impact Study Agreement to Transmission Provider no later than thirty (30) Calendar Days after its receipt.

3.3.2.3 As part of its Surplus Interconnection Service System Impact Study process, the Transmission Provider will evaluate the original interconnection system impact study, if any, or applicable Cluster Studies, to determine their suitability for use in the evaluation of the request for Surplus Interconnection Service. Inclusive of any Surplus Interconnection Service System Impact Study(ies) performed to evaluate the existing Interconnection Service and deemed suitable for use in the evaluation of the request 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 existing Interconnection Service was not studied under off-peak conditions or such study was not deemed suitable, off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. If an existing interconnection system impact study or Cluster Study is not available or deemed suitable 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 studies performed to evaluate a request for Surplus Interconnection Service will identify if any additional Interconnection Facilities and/or Network Upgrades are necessary. If any additional Network Upgrades are necessary, the Surplus Interconnection Request will be denied. Necessary control technologies will also be identified in the studies performed.

3.3.2.4 Transmission Provider shall use Reasonable Efforts to complete the Surplus Interconnection Service System Impact Study within ninety (90) Calendar Days after the receipt of the Surplus Interconnection Service System Impact Study Agreement or notification to proceed, study payment, and technical data.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Surplus Interconnection Service System Impact Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Surplus Interconnection Service System Impact Study. If Transmission Provider is unable to complete the Surplus Interconnection Service System Impact Study within the time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.

3.3.2.5 Within ten (10) Business Days of providing a Surplus Interconnection Service System Impact Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Surplus Interconnection Service System Impact Study, unless otherwise mutually agreed upon by the Parties.

3.3.3 Surplus Interconnection Service Agreement.

3.3.3.1 Within thirty (30) Calendar Days after delivery of the Surplus Interconnection Service System Impact Study report, Transmission Provider shall tender a draft Surplus Interconnection Service Agreement to the original Interconnection Customer and the Surplus Interconnection Service Customer. The draft Surplus Interconnection Service Agreement shall be executed and returned within thirty (30) Calendar Days.

3.3.3.2 Transmission Provider and Interconnection Customers shall negotiate concerning any disputed provisions of the appendices to the draft

Surplus Interconnection Service Agreement for not more than sixty (60) Calendar Days after tender of the draft Surplus Interconnection Service Agreement. If any Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft Surplus Interconnection Service Agreement pursuant to Section 3.3.3.1 and initiate Dispute Resolution procedures pursuant to Section 13.5 of the LGIP. Within sixty (60) Calendar Days of tender of draft Surplus Interconnection Service Agreement and unless otherwise agreed by the Parties, if Interconnection Customer has not executed the Surplus Interconnection Service Agreement or initiated Dispute Resolution procedures pursuant to Section 13.5 of the LGIP, it shall be deemed to have withdrawn its Interconnection Request. Transmission Provider shall provide to Interconnection Customers a final Surplus Interconnection Service Agreement within fifteen (15) Business Days after the completion of the negotiation process.

3.4 Valid Interconnection Request

3.4.1 Initiating an Interconnection Request

An Interconnection Customer wishing to join a Cluster shall submit its Interconnection Request to Transmission Provider within, and no later than close of the Cluster Request Window. To initiate an Interconnection Request, Interconnection Customer must submit all of the following:

(i) applicable deposit amount, pursuant to Section 3.1;

(ii) a completed application in the form of Appendix 1 (including applicable technical information);

(iii) Site Control demonstration pursuant to Section 3.4.1(iii)(a) or (b) below;

a. Demonstration of actual Site Control. For demonstration of Site Control of Large Generating Facilities: Specifications for acceptable site size for the purposes of demonstrating Site Control are posted on Transmission Provider's OASIS website. Interconnection Customer may propose alternative specifications for site size to those posted on OASIS for Transmission Provider approval. In the event Transmission Provider and Interconnection Customer cannot reach agreement related to adequacy of site size,

Transmission Provider will accept a Professional Engineer (licensed in the state of the Point of Interconnection) stamped site plan drawing that depicts the proposed generation arrangement and specifies the maximum facility output for that arrangement. Demonstration of Site Control for Small Generating Facilities shall be pursuant to Section 1.5 of Attachment N.

b. Posting of an additional deposit of $10,000 in lieu-of Site Control. Deposits paid pursuant to this Section 3.4.1(iii) shall be refunded to the Interconnection Customer upon Commercial Operation or upon withdrawal pursuant to Section 3.7, subject to applicable Withdrawal Penalties.

(iv) Generating Facility size (MW) (and requested Interconnection Service amount if the requested Interconnection Service is less than the Generating Facility Capacity);

(v) One of the following Readiness Milestone Options totaling the entire capacity of the Generating Facility (or requested Interconnection Service amount if the requested Interconnection Service is less than the Generating Facility Capacity).

a. Executed term sheet (or comparable evidence) related to a contract for sale of (i) the constructed Generating Facility to a load-serving entity or to a commercial, industrial, or other large end-use customer, (ii) the Generating Facility's energy where the term of sale is not less than five (5) years, or (iii) the Generating Facility's ancillary services if the Generating Facility is an electric storage resource where the term of sale is not less than five (5) years;

b. Executed contract binding upon the parties for sale of (i) the constructed Generating Facility to a load-serving entity or to a commercial, industrial, or other large end-use customer, (ii) the Generating Facility's energy

where the term of sale is not less than five (5) years, or (iii) the Generating Facility's ancillary services if the Generating Facility is an electric storage resource where the term of sale is not less than five (5) years;

c. Reasonable evidence that the Generating Facility has been selected in a Resource Plan or Resource Solicitation Process by or for a load-serving entity, is being developed by a load-serving entity, or is being developed for purposes of a sale to a commercial, industrial, or other large end-use customer;

d. A refundable deposit of $3,000 per MW of generating capacity proposed in the Interconnection Request; or

e. Site specific Purchase Order for generating equipment specific to the Interconnection Request, or statement signed by an officer or authorized agent of the Interconnection Customer attesting that the Generating Facility included is to be supplied with turbines with a manufacturer's blanket purchase agreement to which Interconnection Customer is a party. This blanket purchase agreement shall be provided to Transmission Provider.

(vi) A Point of Interconnection.

(vii) Whether the Interconnection Request shall be studied as a Network Resource Interconnection Service or an Energy Resource Interconnection Service, consistent with Section 3.2.

Interconnection Customer shall promptly inform Transmission Provider of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.1(iii) or its satisfaction of a Readiness Milestone Option as selected under Section 3.4.1(v) or Section 8.1, as applicable. Upon Transmission Provider determining separately that Interconnection Customer no longer satisfies Site Control or a Readiness Milestone Option, Transmission Provider shall give Interconnection Customer ten (10) Business Days to demonstrate satisfaction with the applicable requirement to Transmission Provider's satisfaction. Absent such

demonstration, Transmission Provider will deem the subject Interconnection Request withdrawn.

The expected In-Service Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility shall be no more 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 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, such agreement not to be unreasonably withheld.

3.4.2 Acknowledgment of Interconnection Request

Transmission Provider shall acknowledge receipt of the Interconnection Request within five (5) Business Days of receipt of the request and attach a copy of the received Interconnection Request to the acknowledgement.

3.4.3 Deficiencies in Interconnection Request

An Interconnection Request will not be considered to be a valid request until all items in Section 3.4.1 have been received by Transmission Provider. If an Interconnection Request fails to meet the requirements set forth in Section 3.4.1, Transmission Provider shall use Reasonable Efforts to notify Interconnection Customer as soon as practicable following 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 no later than the close of the Cluster Request Window. Notwithstanding any other provision in Transmission Provider□s Tariff, an Interconnection Request with any uncured deficiency at the time the Cluster Request Window closes will be deemed an invalid Interconnection Request. At any time, if Transmission Provider identifies issues with technical data provided by Interconnection Customer, Interconnection Customer and Transmission Provider shall work expeditiously and in good faith to remedy any data issues.

Transmission Provider shall determine if the information contained in the Interconnection Request is sufficient to start the Cluster Study by the close of the Customer Engagement Window.

3.4.4 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. If requested by an Interconnection Customer, Transmission Provider shall also hold individual customer-specific Scoping Meetings, which must be requested no later than fifteen (15) Business Days after the close of the Cluster Request Window.

The purpose of the Scoping Meeting shall be to discuss alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to discuss the Cluster Area materials posted to OASIS pursuant to Section 7.4, and to analyze such information. Transmission Provider and Interconnection Customer shall 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, (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting, (vi) for wind or solar facilities, generation profile data, and (vii) if the Large Generating Facility is or, as a hybrid, includes solar photovoltaic technology, a completed Attachment A to Appendix 7. Transmission Provider and Interconnection Customer 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. The duration of the meeting shall be sufficient to accomplish its purpose.

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 (combined cycle, base load or combustion turbine and fuel type); 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 or initiates Dispute Resolution pursuant to Section 13.5. Before holding a Scoping Meeting with any 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 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.

3.5.2 Requirement to Post Interconnection Study Metrics

Transmission Provider will maintain on its OASIS or its website summary statistics related to processing Interconnection Studies pursuant to Interconnection Requests, updated quarterly. If Transmission Provider posts this information on its website, a link to the information must be provided on Transmission Provider's OASIS site. For each calendar quarter, Transmission Providers must calculate and post the information detailed in Sections 3.5.2.1 through 3.5.2.3.

3.5.2.1 Interconnection Cluster Study Processing Time.

(A) Number of Interconnection Requests that had Cluster Studies completed within Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Cluster Studies completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than one hundred fifty (150) Calendar Days after commencement of the Cluster Study,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Cluster Studies one hundred fifty (150) Calendar Days after commencement of the Cluster Study,

(D) Mean time (in days), Cluster Studies completed within Transmission Provider's coordinated region during the reporting quarter, from the commencement of the Cluster Study to the date when Transmission Provider provided the completed Cluster Study to the Interconnection Customer,

(E) Percentage of Cluster Studies exceeding one hundred fifty (150) Calendar Days to complete this reporting quarter, calculated as the sum of 3.5.2.1(B) plus 3.5.2.1(C) divided by the sum of 3.5.2.1(A) plus 3.5.2.1(C)).

3.5.2.2 Interconnection Facilities Studies Processing Time.

(A) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than (study duration depends on Interconnection Customer's selection on Facilities Study Agreement) after receipt by Transmission Provider of the Interconnection Customer's executed Interconnection Facilities Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Service requests with ongoing incomplete Interconnection Facilities Studies where such Interconnection Requests had executed Interconnection Facilities Studies Agreement received by Transmission Provider more than (study duration depends on

Interconnection Customer's selection on Facilities Study Agreement) before the reporting quarter end,

(D) Mean time (in days), for Interconnection Facilities Studies completed within Transmission Provider's coordinated region during the reporting quarter, calculated from the date when Transmission Provider received the executed Interconnection Facilities Study Agreement to the date when Transmission Provider provided the completed Interconnection Facilities Study to the Interconnection Customer,

(E) Percentage of delayed Interconnection Facilities Studies this reporting quarter, calculated as the sum of 3.5.2.2(B) plus 3.5.2.2(C) divided by the sum of 3.5.2.2(A) plus 3.5.2.2(C)).

3.5.2.3 Interconnection Service Requests Withdrawn from Interconnection Queue.

(A) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter,

(B) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of any interconnection studies or execution of any interconnection study agreements,

(C) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of a Cluster Study,

(D) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of an Interconnection Facilities Study,

(E) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue after execution of a generator interconnection agreement,

(F) Mean time (in days), for all withdrawn Interconnection Requests, from the date when the request was determined to be valid to when Transmission Provider received the request to withdraw from the queue.

3.5.3 Transmission Provider is required to post on OASIS or its website the measures in paragraph 3.5.2.1(A) through paragraph 3.5.2.3(F) for each calendar quarter within 30 days of the end of the calendar quarter. Transmission Provider will keep the quarterly measures posted on OASIS or its website for three calendar years with the first required report to be in the first quarter of [___]. If Transmission Provider retains this information on its website, a link to the information must be provided on Transmission Provider's OASIS site.

3.5.4 In the event that any of the values calculated in paragraphs 3.5.2.1(E) or 3.5.2.2(E) exceeds 25 percent for two consecutive calendar quarters, Transmission Provider will have to comply with the measures below for the next four consecutive calendar quarters and must continue reporting this information until Transmission Provider reports four consecutive calendar quarters without the values calculated in 3.5.2.1(E) or 3.5.2.2(E) exceeding 25 percent for two consecutive calendar quarters:

(i) Transmission Provider must submit a report to the Commission describing the reason for each study or group of clustered studies pursuant to an Interconnection Request that exceeded its deadline (i.e., 150, 90 or 180 days) for completion (excluding any allowance for Reasonable Efforts). Transmission Provider must describe the reasons for each study delay and any steps taken to remedy these specific issues and, if applicable, prevent such delays in the future. The report must be filed at the Commission within 45 days of the end of the calendar quarter.

(ii) Transmission Provider shall aggregate the total number of employee-hours and third party consultant hours expended towards interconnection studies within its coordinated region that quarter and post on OASIS or its website. If Transmission Provider posts this information on its website, a link to the information must be

provided on Transmission Provider's OASIS site. This information is to be posted within 30 days of the end of the calendar quarter.

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 and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in this LGIP. Transmission Provider will include such Affected System Operators in all meetings held with Interconnection Customer as required by this LGIP. Interconnection Customer will cooperate with Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A transmission provider which may be an Affected System shall cooperate with Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems. It is the responsibility of the Affected System Owner to 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 (i) complete any interconnection studies and (ii) construct any necessary Interconnection Facilities and Network Upgrades needed to reliably interconnect at the requested service level.

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 action 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, including any placement in a particular Cluster. 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.

In the case of a withdrawal, Transmission Provider shall:

(i) update OASIS as appropriate, including any Queue Position changes;

(ii) impose the applicable Withdrawal Penalty described in Section 3.7.1, if any; and

(iii) issue any refund to Interconnection Customer pursuant to Section 13.3.2.

In the event of such withdrawal, Transmission Provider, subject to the confidentiality provisions of Section 13.1, 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. Except as provided in Attachment M-1 of Transmission Provider's Tariff, an Interconnection Customer shall be subject to a penalty ("Withdrawal Penalty") if it withdraws its Interconnection Request or the Generating Facility does not otherwise reach Commercial Operation unless (1) the withdrawal does not negatively affect the timing or cost of other projects within the same Cluster as determined by Transmission Provider; (2) the Interconnection Customer withdraws after receiving the most recent Cluster Study Report and the costs assigned to the Interconnection Request identified in that report have increased by more than twenty-five percent (25%) compared to costs identified in the previous Cluster Study Report; (3) the Interconnection Customer withdraws after receiving the individual Facilities Study report and the costs assigned to the Interconnection Request identified in that report have increased by more than 100 percent compared to costs identified in the most recent Cluster Study Report. For the avoidance of doubt, Small Generating Facilities participating in the Cluster Study process pursuant to Section 7 shall not be subject to Withdrawal Penalties.

3.7.1.1 Calculation of the Withdrawal Penalty. If the withdrawing Interconnection Customer has demonstrated any of the Readiness Milestone Options in Sections 3.4.1(v)(a) – (c) or 3.4.1(v)(e), and is withdrawing prior to executing an LGIA, the Interconnection Customer shall be charged one (1) times its actual allocated cost of all studies performed up until that point.

If the withdrawing Interconnection Customer only demonstrated the Readiness Milestone Option in Section 3.4.1(v)(d) and is withdrawing prior to executing an LGIA, that Interconnection Customer's Withdrawal Penalty shall be as follows:

(a) If Interconnection Customer withdraws either (i) following commencement of the Cluster Study and before receipt of a Cluster Study Report, or (ii) after receipt of a Cluster Study Report, the Interconnection Customer shall be charged two (2) times of its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point, regardless of any previous Withdrawal Penalty revenues received. This amount shall be capped at one (1) million dollars.

(b) If Interconnection Customer withdraws after receipt of any applicable restudy reports issued pursuant to Section 7.4, the Interconnection Customer shall be charged three (3) times of its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point, regardless of any previous Withdrawal Penalty revenues received. This amount shall be capped at one and one half (1.5) million dollars.

(c) If Interconnection Customer withdraws after receipt of the individual Facility Study report issued pursuant to Section 8, the Interconnection Customer shall be charged five (5) times of its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point, regardless of any previous Withdrawal Penalty revenues received. This amount shall be capped at two (2) million dollars.

The Withdrawal Penalty for any Interconnection Customer that, before achieving Commercial Operation, withdraws after executing an LGIA shall be nine (9) times of its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point, regardless of any previous Withdrawal Penalty revenues received. In the event that the Interconnection Customer suspends its interconnection agreement, the Interconnection Customer shall be obligated to pay for costs associated with any studies or restudies required as a result of the suspension of the interconnection agreement, including any restudies associated with any affected lower-queued customers.

3.7.1.2 Distribution of the Withdrawal Penalty.
Any Withdrawal Penalty revenues shall be used to fund generation interconnection studies, including individual Interconnection Facility Studies. Withdrawal Penalty revenues shall first be applied, in the form of a bill credit, to not-yet-invoiced study costs for other Interconnection Customers in the same Cluster, and to the extent that such studies are fully credited, shall be applied to study costs of future Clusters in queue order. Withdrawn Interconnection Customers shall not receive a bill credit associated with Withdrawal Penalty revenues. Distribution of Withdrawal Penalty revenues to a specific study shall not exceed the total actual study costs. Allocation of Withdrawal Penalty revenues within a Cluster to a specific Interconnection Customer shall be (1) fifty percent (50%) on a per capita basis based on number of Interconnection Requests in the applicable Cluster; and (2) fifty percent (50%) to Interconnection Customers on a pro-rata basis based on requested megawatts included in the applicable Cluster. Distribution of Withdrawal Penalty revenue associated with Section 3.7.1.1(c) shall not be distributed to the remaining Interconnection Customers in that Cluster until all Interconnection Customers in that Cluster have reached Commercial Operation and thereafter shall be distributed as described above. Transmission Provider shall not change the distribution of Withdrawal Penalty revenue without authorization by the Commission. Transmission Provider shall post the Withdrawal Penalty balance on its OASIS site.

3.8 Identification of Contingent Facilities.

Transmission Provider shall post in this section a method for identifying the Contingent Facilities to be provided to Interconnection Customer at the conclusion of the Cluster Study and included in Interconnection Customer's Large Generator Interconnection Agreement. The method shall be sufficiently transparent to determine why a specific Contingent Facility was identified and how it relates to the Interconnection Request. Transmission Provider shall also provide, upon request of the Interconnection Customer, the estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time of each identified Contingent Facility when this information is readily available and not commercially sensitive.

As part of the Cluster Study, the Transmission Provider shall identify, Contingent Facilities using the following methods:

(1) Review all additions, modifications, and upgrades to the Transmission Provider's Transmission System that are part of the Transmission Provider's transmission expansion plan, and facilities identified as Network Upgrades through the Interconnection System Impact Studies for higher queued Interconnection Requests that are not yet in service. Contingent Facilities shall be identified from this list of facilities that meet the following criteria:

a. Power Transfer Distribution Factor or Outage Transfer Distribution Factor ≥5% OR;
b. MVA impact (Power Transfer Distribution Factor or Outage Transfer Distribution Factor multiplied by generator output of the Interconnection Request) ≥5MVA, OR;
c. MVA impact (Power Transfer Distribution Factor or Outage Transfer Distribution Factor multiplied by generator output of the Interconnection Request) ≥1% of the facility rating.

(2) Coordination with applicable Affected System parties to determine what Contingent Facilities have been identified through Affected System studies based on their respective criteria.

The Contingent Facilities identified for a given Interconnection Request are the total of all facilities through each of the foregoing methods. The Interconnection Customer will be provided a list of all Contingent Facilities identified at the conclusion of the Cluster Study. This list of Contingent Facilities will also be included in the Interconnection Customer's LGIA. The Transmission Provider shall also provide, upon request of the Interconnection Customer, the estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time of each identified Contingent Facility when this information is readily available and not commercially sensitive.

3.9 Informational Interconnection Study Requests.

Interconnection Customers evaluating different options (such as different sizes, sites, or voltages) are encouraged but not required to use the Informational Interconnection Study Process in Section 6 before entering the Cluster Study process.

Section 4. Queue Position

4.1 General

Once an Interconnection Customer has submitted a valid Interconnection Request pursuant to Section 3.4, such Interconnection Request shall be admitted into Transmission Provider's queue for further processing pursuant to the following procedures contained in this Section 4.

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. There is no queue for Informational Interconnection Studies.

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 but Clusters initiated earlier in time shall be considered to have a higher Queue Position than Clusters initiated later. The Queue Position of an Interconnection Request shall have no bearing on the allocation of the cost of the common upgrades identified in the applicable Cluster Study (such costs will be allocated among Interconnection Requests in accordance with Section 4.2.3). Moving a Point of Interconnection shall result in a loss of Queue Position if it is deemed a Material Modification under Section 4.4.3.

4.2 General Study Process

Cluster Studies performed within the Interconnection 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.

4.2.1 Cluster Request Windows.

Transmission Provider shall accept Interconnection Requests during a forty-five (45) Calendar Day period, hereinafter referred to as the "Cluster Request Window." The initial Cluster Request Window shall open for Interconnection Requests beginning April 1 following commencement of the transition process set out in Attachment M-1 to this Tariff and successive Cluster Request Windows shall open annually every April 1 thereafter.

4.2.2 Pre-Study Cost and Study Cost Allocation.

Transmission Provider shall determine each Interconnection Customer's share of the costs of a Cluster Study by allocating: (1) fifty percent (50%) of the applicable study costs to Interconnection Customers on a per capita basis based on 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 requested megawatts included in the applicable Cluster. For example, the cost of a Cluster Study consisting of a 100 MW request and a 900 MW request would be allocated 30% to the 100 MW request and 70% to the 900 MW request. Costs incurred by Transmission Provider in preparation for the Cluster Study but before commencement of Cluster Study shall be similarly calculated and allocated.

Any refunds of deposits paid in excess of Interconnection Customer costs allocated pursuant to this Section 4.2.2 shall be issued in accordance with Section 13.3.

4.2.3 Transmission Provider's Interconnection Facilities and Network Upgrade Cost Allocation.

Notwithstanding Section 3.1, for Transmission Provider's Interconnection Facilities and Network Upgrades identified in Cluster Studies, Transmission Provider shall calculate each Interconnection Customer's share of costs in the manner set forth below. If a Cluster Study includes one or more Cluster Areas, such costs shall be calculated and allocated among Interconnection Customers within the same Cluster Area. If the same Network Upgrade is identified in the study of more than one Cluster Area, such Network Upgrade will be allocated to Interconnection Customers in all affected Cluster Areas in the proportional

manner provided in Section 4.2.3(b). Interconnection Customer shall be responsible for funding the costs of any facilities identified by Transmission Provider in such Interconnection Customer's individual Facilities Study report.

a) Station equipment Network Upgrades, including all switching stations, shall be allocated based on the number of Generating Facilities interconnecting at an individual station on a per capita basis (i.e. on a per Interconnection Request basis). If multiple Interconnection Customers are connecting to the Transmission Provider's System through a single Interconnection Customer's Interconnection Facility (i.e. sharing the Interconnection Customer's Interconnection Facility connecting to the Transmission Provider's Interconnection Facility(ies)), those Interconnection Customers shall be considered one Interconnection Customer for the per capita calculation described in the preceding sentence. Shared Transmission Provider's Interconnection Facilities shall be allocated based on the number of Generating Facilities sharing that Transmission Provider's Interconnection Facility on a per capita basis.

b) The funding responsibility for Network Upgrades other than those identified in Section 4.2.3(a) shall be as follows: Interconnection Customers within a Cluster Study that have requested Energy Resource Interconnection Service shall bear their allocable share of the cost of Network Upgrades necessary to provide such service. Interconnection Customers within a Cluster Study that have requested Network Resource Interconnection Service shall bear their allocable share of the cost of Network Upgrades necessary to provide such service. Such allocation shall be based on the proportional capacity of each individual Generating Facility in the Cluster Studies requiring such Network Upgrades in accordance with the iterative process provided in Section 7.3.

c) Costs of Transmission Provider's Interconnection Facilities are directly assigned to the Interconnection Customer(s) using such facilities.

d) Notwithstanding any other provision of this Section 4.2.3, no Interconnection Customer shall be responsible for any Network Upgrade costs identified pursuant to this Section if such Interconnection Customer's Interconnection Request individually represents one (1) percent or less of the total requested megawatts included in the applicable Cluster.

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.

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, 4.4.5, or 4.4.6, or are determined not to be Material Modifications pursuant to Section 4.4.3.

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. Subject to the forgoing sentence, and provided, however, they do not result in a Material Modification, to the extent the identified changes are acceptable to Transmission Provider and Interconnection Customer and potentially impacted Interconnection Customers in the same Cluster, such acceptance not to be unreasonably withheld, Transmission Provider shall modify the Point of Interconnection and/or configuration in accordance with such changes and proceed with any re-studies necessary to do so in accordance with Section 7.5(f) as applicable 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 60 percent 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) 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 Study Window for the purposes of cost allocation and study analysis.

4.4.2 Prior to the return of the executed Interconnection Facility Study Agreement to Transmission Provider, the modifications permitted under this Section shall include specifically: (a) additional 15 percent 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; and (c) a Permissible Technological Advancement for the Large Generating Facility after the submission of the Interconnection Request. Section 4.4.6 specifies a separate technological change procedure including the requisite information and process that will be followed to assess whether the Interconnection Customer's proposed technological advancement under Section 4.4.2(c) is a Material Modification. Section 1 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 4.4.6, Interconnection Customer may first request that Transmission Provider evaluate whether such modification is a Material Modification. 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. Any change to the Point of Interconnection, except those deemed acceptable under Sections 3.1, 4.4.1, 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.

4.4.4 Upon receipt of Interconnection Customer's request for modification permitted under this Section 4.4, Transmission Provider shall commence and perform any necessary additional studies as soon as practicable, but in no event shall Transmission Provider commence such studies later than 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.

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. For purposes of this Section, the Commercial Operation Date reflected in the initial Interconnection Request shall be used. Such cumulative extensions are inclusive of extensions requested after execution of the LGIA by Interconnection Customer.

4.4.6 Technological Change Procedures

Prior to the return of the executed Facilities Study Agreement to the Transmission Provider, the Interconnection Customer may submit a technological advancement request to the Transmission Provider. Permissible Technological Advancements may include advancements to turbines, inverters, plant supervisory controls, or other technological advancements that may enhance a generating facility's ability to provide ancillary services, but do not include changes in generation technological or fuel type (include the energy source behind an inverter). Any changes to electrical output (MW) must adhere to LGIP Sections 4.4.1 and 4.4.2.

In order to have a completed technological advancement request, the Interconnection Customer shall submit:

(1) A written technological advancement request, specifying the change in technological the Interconnection Customer seeks;

(2) Analysis that demonstrates how the incorporation of the proposed technological advancement would (i) result in electrical performance that is equal to or better than the electrical performance expected prior to the technological change, and (ii) not cause any reliability concerns;

(3) A revised Appendix 1 to LGIP Interconnection Request for a Large Generating Facility with revised technical data, including modeling data, associated with the technological advancement being requested, and any other data deemed necessary by the Transmission Provider to determine if the technological advancement request is a Material Modification; and

(4) Any required deposit.

If the difference between the Initial Deposit submitted as per Section 3.4.1, less any part of that Deposit deemed nonrefundable as per Section 3.4.1, is $10,000 or greater, the Interconnection Customer will not be required to tender a deposit for additional studies to evaluate the technological advancement request. If the difference between the Initial Deposit submitted as per Section 3.4.1, less any part of that Deposit deemed nonrefundable as per Section 3.4.1, is less than $10,000, the Interconnection Customer shall tender a deposit to the amount of $10,000 to the Transmission Provider to evaluate the technological advancement request. The Obligation of Study Costs shall be in accordance with LGIP Section 13.3.

Upon receipt by the Transmission Provider of a completed technological advancement request from the Interconnection Customer, the Transmission Provider will evaluate the technological advancement request to determine whether the technological advancement request is a Permissible Technological Advancement or if it necessitates the performance of additional analyses and/or studies. If the technological advancement request has no effect on electrical parameters or

performance, the technological advancement request will not be considered a Material Modification and will be deemed a Permissible Technological Advancement.

If the Transmission Provider determines that additional analyses and/or studies are required, Transmission Provider's studies may include steady-state, reactive power, short circuit, stability analysis and any other appropriate studies that the Transmission Provider deems necessary based on the Transmission Provider's engineering judgment. These additional studies and/or analyses will determine whether the technological advancements result in electrical performance that is equal to or better than the electrical performance expected prior to the technological advancement request and be deemed a Permissible Technological Advancement, or if the technological advancement is deemed a Material Modification.

If the Transmission Provider determines that the technological advancement request results in a Material Modification, the Interconnection Customer will be so notified and an explanation will be provided. The Transmission Provider shall determine whether or not a technological advancement request is a Material Modification within thirty (30) Calendar Days after the receipt of the initial completed technological advancement request, unless otherwise agreed upon by the Transmission Provider and the Interconnection Customer.

If the technological advancement request is deemed a Material Modification, the Interconnection Customer may either proceed with the previously provided data, or submit a new application, which will receive a new queue position.

Section 5. New Transmission Provider

5.1 Reserved.

5.2 New Transmission Provider

If Transmission Provider transfers control of its Transmission System to a successor Transmission Provider during the period when an Interconnection Request is pending, the original Transmission Provider shall transfer to the successor Transmission Provider any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for

interconnection. Any difference between such net amount and the deposit or payment required by this LGIP shall be paid by or refunded to the Interconnection Customer, as appropriate. The original Transmission Provider shall coordinate with the successor Transmission Provider to complete any Interconnection Study, as appropriate, that the original Transmission Provider has begun but has not completed. If Transmission Provider has tendered a draft LGIA to Interconnection Customer but Interconnection Customer has not either executed the LGIA nor initiated Dispute Resolution pursuant to Section 13.5, Interconnection Customer must complete negotiations with the successor Transmission Provider.

Section 6. Informational Interconnection Study

6.1 Informational Interconnection Study Request

Interconnection Customers may not submit requests for Informational Interconnection Studies until after the Transition Readiness Deadline, as defined in Attachment M-1. Thereafter, at any time prior to submission of an Interconnection Request, an Interconnection Customer may request, and Transmission Provider (either itself or through a consultant) shall perform a reasonable number of Informational Interconnection Studies pursuant to the terms of Section 6.

Interconnection Customer shall submit to Transmission Provider an Informational Interconnection Study Request in the form of Appendix 2 to this LGIP and shall describe the assumptions that Interconnection Customer wishes Transmission Provider to study within the scope described in Section 6.3, including a proposed Point(s) of Interconnection and any reasonable alternative Point(s) of Interconnection.

At the time the Informational Interconnection Study Request is submitted, Interconnection Customer must request either Energy Resource Interconnection Service or Network Resource Interconnection Service, as described in Section 3.4.1; provided, however, any Interconnection Customer requesting an Informational Interconnection Study for Network Resource Interconnection Service may also request that it be concurrently studied for Energy Resource Interconnection Service.

Interconnection Customer must submit a deposit with each Informational Interconnection Request even when more than one request is submitted for a single site. An Informational Interconnection Request to evaluate one site at two

different voltage levels shall be treated as two Informational Interconnection Requests.

At the request of either the Interconnection Customer or Transmission Provider, Transmission Provider and Interconnection Customer will schedule a scoping meeting at a mutually agreed-upon time.

6.2 Informational Interconnection Study Agreement

Within five (5) Business Days after receipt of a request for an Informational Interconnection Study, Transmission Provider shall provide to Interconnection Customer an Informational Interconnection Study Agreement in the form of Appendix 2A.

The Informational Interconnection Study Agreement shall: (i) include the scope of work for the Informational Interconnection Study, subject to other requirements in Section 6.3, (ii) specify the technical data that Interconnection Customer must provide, (iii) specify the Informational Interconnection Study case and assumptions, and (iv) identify the Transmission Provider's estimate of the cost of the Informational Interconnection Study. Notwithstanding the above, Transmission Provider shall not be required as a result of an Informational Interconnection Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request.

Interconnection Customer shall execute the Informational Interconnection Study Agreement within ten (10) Business Days of receipt of an agreed upon scope of work and deliver the Informational Interconnection Study Agreement, the technical data, and a $10,000 study deposit to Transmission Provider. Interconnection Customer shall be responsible for actual study costs.

6.3 Scope of Informational Interconnection Study

The intent of the Informational Interconnection Study is to aid Interconnection Customer in its business decisions related to interconnection of generation facilities prior to submitting an Interconnection Request. The Informational Interconnection Study will consider the Base Case as well as all generating facilities (and with respect to (iii), any identified Network Upgrades) that, on the date the Informational Interconnection 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. The Informational Interconnection Study will consist of a power flow and short circuit analysis.

To the extent possible, the Informational Interconnection Study shall identify the potential Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide Interconnection Service based upon the results and assumptions of the Informational Interconnection Study.

The Informational Interconnection Study shall be performed solely for informational purposes and does not bind the Transmission Provider in any way or entitle the requesting Interconnection Customer to a Queue Position. Interconnection Customer requesting an Informational Interconnection Study shall not be assigned any cost responsibility for Network Upgrades. For the avoidance of doubt, neither the request for nor the performance of an Informational Interconnection Study shall be considered an Interconnection Request.

6.4 Informational Interconnection Study Procedures

The executed Informational Interconnection Study Agreement, the deposit, 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 Informational Interconnection Study Agreement. Transmission Provider shall use Reasonable Efforts to complete the Informational Interconnection Study within a mutually agreed upon time period specified within the Informational Interconnection Study Agreement. This time period shall take into account all previous requests for Informational Studies that have been submitted but not yet completed. If Transmission Provider is unable to complete the Informational 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 work papers and databases or data developed in the preparation of the Informational Interconnection Study, subject to confidentiality arrangements consistent with Section 13.1.

Section 7. Cluster Study

7.1 Cluster Study Agreement

No later than five (5) 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 3 to this LGIP. The Cluster Study Agreement shall require the Interconnection Customer to compensate Transmission Provider for the actual cost of the Cluster Study. The specifications, assumptions, or other provisions in the appendices of the Cluster Study Agreement provided pursuant to this Section 7.1 shall be subject to change by Transmission Provider following conclusion of the Scoping Meeting.

7.2 Customer Engagement Window

Upon the close of each Cluster Request Window, Transmission Provider will open a thirty (30) 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 sentence and upon written consent of all Interconnection Customers within a specific Cluster, Transmission Provider may shorten the Customer Engagement Window in order to start the Cluster Study earlier. Within the first ten (10) Business Days following the close of the Cluster Request Window, Transmission Provider shall post on its OASIS site a list of Interconnection Requests for that Cluster. The list shall identify, for each Interconnection Request: (i) the requested amount of Interconnection Service; (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 type of Interconnection Service requested; (vi) the type of Generating Facility to be constructed including fuel type such as wind, natural gas, coal, or solar; and (vii) the Cluster Area assigned to each Interconnection Request. During the Customer Engagement Window, Transmission Provider will provide to Interconnection Customer a non-binding updated good faith estimate of the cost and timeframe for completing the Cluster Study.

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 3 shall be included in that Cluster Study. Any Interconnection Requests not deemed valid or undergoing Dispute Resolution at the close of the Customer Engagement Window shall not be included in that Cluster. Immediately following

the Customer Engagement Window, Transmission Provider shall initiate the Cluster Study described in more detail in Section 7.

7.3 Execution of Cluster Study Agreement and Scope of Cluster Study

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.

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 Request Window closes:

(i) are existing and directly interconnected to the Transmission System;

(ii) are existing and interconnected to Affected Systems and may have an impact on the Interconnection Request;

(iii) have a pending higher queued or higher clustered 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 consider the level of Interconnection Service requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns.

The Cluster Study shall consist of power flow, stability, and short circuit analyses, the results of which are documented in a single Cluster Study Report, or Cluster Re-Study Report, as applicable.

For purposes of identifying Network Upgrades and other facilities caused by requests for Network Resource Interconnection Service, Transmission Provider will run two iterations of the Cluster Study. The first iteration of the Cluster Study shall assume all requests in the applicable Cluster Study have requested Energy Resource Interconnection Service, to establish a baseline of shared Network Upgrades. In the second iteration, the Transmission Provider shall update the study with any requests for Network Resource Interconnection Service,

as applicable, to identify the incremental Network Upgrades caused by the requests for Network Resource Interconnection Service. In conducting the first iteration of the Cluster Study and determining the necessary Interconnection Facilities and Network Upgrades, Transmission Provider may model operating resources in the Transmission System at less than full output to the extent consistent with maintaining system reliability, Good Utility Practice, and expected operation of the resources in the Transmission System based on historical operating patterns and/or capacity factors. All such modeling assumptions shall be described in the Cluster Study Report.

At the conclusion of the Cluster Study, Transmission Provider will 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 Transmission Provider's 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 estimates for required upgrades. The Cluster Study Report shall identify each Interconnection Customer's estimated allocated costs for Transmission Provider's Interconnection Facilities and Transmission Provider's Network Upgrades pursuant to the methodology in Section 4.2.3. Transmission Provider shall hold an open stakeholder meeting pursuant to Section 7.4 below.

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

Upon issuance of a Cluster Study Report, or Cluster Re-Study Report, if any, Transmission Provider shall simultaneously tender a draft Facility Study Agreement, subject to the conditions in Section 8.1.

7.4 Cluster Study Procedures

Transmission Provider shall coordinate the Cluster Study with any Affected System that is affected by the Interconnection Request pursuant to Section 3.6 above. 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 4.2.1.

a. Transmission Provider may segment and perform Cluster Studies according to geographically and/or electrically relevant areas on the Transmission Provider's Transmission System ("Cluster Area"). Cluster Areas shall be determined by the Transmission Provider at the end of each Customer Engagement Window and shall be based on the valid Interconnection Requests that are submitted during the Cluster Request Window. Before the Scoping Meeting, the Transmission Provider shall initially determine each Cluster Area and shall post on its OASIS website, for discussion during the Scoping Meeting, a draft plan for the Cluster Study, including a map and table defining the Cluster Areas assigned to each valid Interconnection Request received during the Cluster Request Window. Transmission Provider shall post an updated Cluster Area map, table, and final Cluster Study plan on OASIS by no later than the end of the Customer Engagement Window. The Cluster Study shall consist of all valid Interconnection Requests in each respective Cluster Area that have executed a Cluster Study Agreement and have provided all required information before the close of the Customer Engagement Window.

b. Unless restudies are required pursuant to Section 7.5, Transmission Provider shall use Reasonable Efforts to complete the Cluster Study and issue the Cluster Study Report within one hundred fifty (150) Calendar Days of the close of the Customer Engagement Window. If the Cluster Study Report is due on a non-Business Day, Transmission Provider shall issue the report on the first Business Day after the date the Cluster Study Report would otherwise be due.

c. Within ten (10) Business Days of simultaneously furnishing a Cluster Study Report (or, as applicable, Cluster Re-Study Report) and a draft Interconnection Facilities Study Agreement to Interconnection Customers and posting such report on OASIS, Transmission Provider shall convene an open meeting to discuss the study results ("Cluster Study Report Meeting" or "Cluster Re Study Report Meeting"). Transmission Provider shall, upon request, also make itself available to meet with individual Interconnection Customers after the report is provided.

7.5 Cluster Study Withdrawals and Re-Studies

a. If no Interconnection Customer withdraws from the Cluster after completion of the Cluster Study or Cluster Re-Study or is deemed withdrawn pursuant to Section 3.7, Transmission Provider shall electronically notify Interconnection Customers in the Cluster that a Cluster Re-Study is not required.

b. If one or more Interconnection Customer withdraw(s) from the Cluster, Transmission Provider shall determine if a Cluster Re-Study of the Cluster is necessary. If Transmission Provider determines a Cluster Re-Study is not necessary, Transmission Provider shall provide an updated Cluster Study Report within thirty (30) Calendar Days of such determination. When the updated Cluster Study Report is issued, Transmission Provider shall electronically notify Interconnection Customers in the Cluster that a Cluster Re-Study is not required.

c. If one or more Interconnection Customers withdraws from the Cluster and Transmission Provider determines a restudy of the Cluster is necessary as a result, Transmission Provider will continue with such re-studies as described in Section 7.5.d below, until Transmission Provider determines that no further re-studies are required. If an Interconnection Customer withdraws after Section 7.5.a, Section 7.5.c, during the Interconnection Facilities Study, or after other Interconnection Customers in the same Cluster have executed LGIAs, and Transmission Provider determines a restudy of the Cluster is necessary, the Cluster (including any Cluster Area) shall be restudied as described in Section 7.5.d below. Transmission Provider shall electronically notify Interconnection Customers in the Cluster and post on OASIS that a re-study is required.

d. The scope of any Cluster Re-study shall be consistent with the scope of an initial Cluster Study pursuant to Section 7.3. Transmission Provider shall use Reasonable Efforts to complete the Cluster Re-Study for all Cluster Areas within one hundred fifty (150) Calendar Days of the commencement of the first Cluster Area Re-Study. The results of the Cluster Re-Study shall be combined into a single report ("Cluster Re-Study Report"), and Transmission Provider shall hold an open stakeholder meeting ("Cluster Re-Study Report Meeting") within ten (10) Business Days of publishing Cluster Re-Study Report on OASIS.

If additional re-studies are required, Interconnection Customer and Transmission Provider shall follow the procedures of this Section 7.5 until such time that Transmission Provider determines that no further re-studies are required. Transmission Provider shall electronically notify Interconnection Customers in the Cluster when no further re-studies are required.

e. At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required timeframe 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 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 Customer 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.

f. If Re-Study of the Cluster Study other than the Re-Study described in Section 7.5(a)-(d) is required due to a higher or equal priority queued project dropping out of the queue, or a modification of a higher queued project subject to Section 4.4, Transmission Provider shall notify Interconnection Customer(s) in writing. The Transmission Provider shall make Reasonable Efforts to ensure such Re-Study takes no longer than one hundred fifty (150) Calendar Days from the date of notice. Except as provided in Section 3.7 in the case of withdrawing Interconnection Customers, any cost of Re-Study shall be borne by Interconnection Customer(s) being re-studied.

Section 8. Interconnection Facilities Study

8.1 Interconnection Facilities Study Agreement

Simultaneously with the delivery of the final Cluster Study Report, or Cluster Re-Study Report if applicable, Transmission Provider shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 4 to this LGIP. The Interconnection Facilities Study

Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection Facilities Study. Transmission Provider shall provide to Interconnection Customer includes 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: (i) any required technical data; (b) a demonstration of Site Control pursuant to Section 3.4.1(iii); and (c) demonstration of a Readiness Milestone Option in Sections 3.4.1(v)(b) – (c), a site-specific Purchase Order for generating equipment specific to the Interconnection Request, or a Financial Security payment equal to the Network Upgrade costs allocated to Interconnection Customer in the most recent Cluster Study Report minus any amounts already paid pursuant to Section 3.4.1(v)(d). Such additional Financial Security shall be refunded in accordance with Section 13.3.3.

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 re-studies) in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facility 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 Facilities Study will also identify any potential control equipment for requests for Interconnection Service that are lower than the Generating Facility Capacity.

8.3 Interconnection Facilities Study Procedures

Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System pursuant to Section 3.6 above. Transmission Provider shall utilize existing studies to the extent practicable in performing the Interconnection

Facilities Study. Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after receipt of an executed Interconnection Facilities Study Agreement: ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report or, one hundred eighty (180) Calendar Days, if Interconnection Customer requests a +/- 10 percent cost estimate. If the Facilities Study Report is due on a non-Business Day, Transmission Provider shall issue the report on the first Business Day following the day the Facilities Study Report would otherwise be due.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required 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 time required, 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 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-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 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.

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 Re-Study

If re-study of the Interconnection Facilities Study, or Facilities Study for a Small Generating Facility performed under Section 3.6 of Attachment N is required due to a higher or equal priority queued project dropping out of the queue or a modification of a higher queued project pursuant to Section 4.4, Transmission Provider shall so notify Interconnection Customer in writing. Transmission Provider shall make Reasonable Efforts to ensure such re-study shall take no longer than sixty (60) Calendar Days from the date of notice. Re-Studies that require rerunning the Cluster Study analysis may take longer than sixty (60) Calendar Days. Except as provided in Section 3.7 in the case of withdrawing Interconnection Customers, any cost of re-study shall be borne by the Interconnection Customer being re-studied.

Section 9. 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 the 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 the 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 from the Cluster 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.

Section 10. Reserved

Section 11. 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 thirty (30) Calendar Days after the comments are submitted or after the 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 of LGIA, which is in Appendix 6. Interconnection Customer shall execute and return the completed draft appendices within thirty (30) Calendar Days, unless the sixty (60) Calendar Day negotiation period under Section 11.2 has commenced.

11.2 Negotiation

Notwithstanding Section 11.1, 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 and initiate Dispute Resolution pursuant to Section 13.5. If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to initiate 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 initiated Dispute Resolution pursuant to Section 13.5 within sixty (60) Calendar Days of

the 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 fifteen (15) Business Days after the completion of the negotiation process.

11.3 Execution

Within fifteen (15) Business Days after receipt of the final LGIA, Interconnection Customer shall provide Transmission Provider with (A) demonstration that continued Site Control pursuant to Section 3.4.1(iii)(a) and (B) continued proof of meeting a Readiness Milestone Option in Section 3.4.1(v)(b), Section 3.4.1(v)(c), or a site-specific Purchase Order for generating equipment specific to the Interconnection Request, unless Interconnection Customer paid a deposit as provided in Section 3.4.1(v)(d) and associated Network Upgrade costs pursuant to Section 8.1(c). 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's election, has been achieved: (i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility; (ii) 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.

Interconnection Customer shall either: (i) execute two originals of the tendered LGIA and return both signed originals to Transmission Provider; or (ii) initiate Dispute Resolution pursuant to Section 13.5.

11.4 Commencement of Interconnection Activities

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

Section 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. Construction sequencing may also apply to shared Transmission Provider's Interconnection Facilities in a similar manner as described below for 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.

Consequently, the entity with a contractual obligation to construct such Network Upgrades shall be obligated to pay the remaining portion of the costs of the Network Upgrades that had not been expedited. 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.

12.2.3 Advancing Construction of Network Upgrades that are Part of an Expansion Plan of the 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, 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.

12.2.4 Amended Interconnection System Impact Study

If applicable, an interconnection system impact study will be amended to determine the facilities necessary to support the requested In-Service Date. This amended study will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested In-Service Date.

Section 13. Miscellaneous

13.1 Confidentiality

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of 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 Article 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.

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, 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 a potential purchaser or assignee 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, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of 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 not be deemed an exclusive remedy for the Breach of this Section 13.1, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 13.1.

13.1.8 Disclosure to FERC, its Staff, or a State.

Notwithstanding anything in this Section 13.1 to the contrary, and pursuant to 18 CFR Section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the LGIP, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR Section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR Section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.

13.1.9 Subject to the exception in Section 13.1.8, 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 including disclosing the Confidential Information to an RTO or ISO or to a sub-regional, 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.

13.1.10 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).

13.1.11 Destruction of Confidential Information

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.

13.1.12 CPRA, Brown Act

In addition to the foregoing provisions under this Section 13.1, Interconnection Customer acknowledges that Transmission Provider is subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§6250 et seq. ("CPRA") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 *et. Seq*. ("Brown Act"). Requests for information made directly to Transmission Provider pursuant to CPRA will be managed in a similar manner identified within Section 13.1.9. For purposes of the Brown Act, the Parties shall adhere to the provisions of Section 13.1 to maintain confidentiality.

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 and Withdrawal Penalties; Refunds

13.3.1 Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies (or actual allocated costs, in the case of Cluster Studies pursuant to Section 4.2.2) and any Withdrawal Penalty, as applicable. Any difference between the study deposit and the actual cost of the applicable Interconnection Study shall be paid by or refunded, except as otherwise provided herein, to Interconnection Customer or offset against the cost of any future Interconnection Studies associated with the applicable Interconnection Request prior to beginning of any such future Interconnection Studies. If an Interconnection Customer's study deposit paid pursuant to Section 3.1 is greater than the Interconnection Customer's share of actual Cluster Study costs (including applicable restudies), any excess amounts shall be applied to the Interconnection Customer's individual Interconnection Facility Study costs, or refunded to the Interconnection Customer following Transmission Provider's issuance of the Interconnection Customer's final Interconnection Facilities Study report. Interconnection Customer shall be responsible for any Withdrawal Penalties pursuant to Section 3.7 in the event of withdrawal.

13.3.2 In the event of Interconnection Customer's Withdrawal pursuant to Section 3.7, Transmission provider shall refund to Interconnection Customer any of the refundable portion of the following charges: (a) any study deposit paid pursuant to Section 3.1; (b) $3,000 per MW deposit paid pursuant to Section 3.4.1(v)(d); (c) any Site Control-related deposit paid pursuant to Section 3.4.1(iii); and (d) additional Financial Security payment for Network Upgrade costs paid pursuant to Section 8.1(c). Such refundable portion shall be any amount that exceeds Interconnection Customer's share of the costs that Transmission Provider has incurred (such as study costs) including interest calculated in accordance with Section 35.19a(a)(2) of FERC's regulations, and that exceed any Withdrawal Penalty imposed, if applicable.

13.3.3 Additional Financial Security paid by Interconnection Customer pursuant to Section 8.1(c) shall be refunded in whole or in part on the earlier of: (i) Interconnection Customer is able to demonstrate a Readiness Milestone Option in Section 3.4.1(v)(b), Section 3.4.1(v)(c), or a site-specific Purchase Order for generating equipment specific to the Interconnection Request; (ii) the Interconnection Request is withdrawn from the queue and pays any required Withdrawal Penalties; (iii) before achieving Commercial Operation the Interconnection Customer terminates its executed LGIA pursuant to LGIA Article 2.3 or applicable termination procedures and pays any required Withdrawal Penalties; or (iv) Interconnection Customer achieves Commercial Operation. Any partial or full refund pursuant to this Section shall include interest (if applicable) calculated in accordance with Section 35.19a(a)(2) of FERC's regulations, and that exceed any Withdrawal Penalty imposed.

13.3.4 Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study as well as the Withdrawal Penalty, if applicable. Interconnection Customer shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefor. Transmission Provider shall not be obligated to perform or continue to perform any studies unless Interconnection Customer has paid all undisputed amounts in compliance herewith. If invoices are not paid within thirty (30) Calendar Days of receipt of an invoice, Transmission Provider shall draw upon any security and deposits provided under this LGIP to settle all accounts, which shall include any offsets of amounts due and owing by Transmission Provider. After the final invoice is paid and all accounts are settled, Transmission Provider shall refund all remaining security and deposits.

13.4 Third Parties Conducting Studies

If (i) at the time of the signing of an Interconnection Study Agreement there is a disagreement as to the estimated time to complete an Interconnection Study, (ii) Interconnection Customer receives notice pursuant to Sections 7.4, 7.5(e) or 8.3 that Transmission Provider will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives neither the Interconnection Study nor a notice under Sections 7.4, 7.5(e) or 8.3 within the applicable timeframe for such Interconnection Study, then Interconnection Customer may require Transmission Provider to utilize a third party consultant reasonably acceptable to Interconnection Customer and Transmission Provider to perform such Interconnection Study under the direction of Transmission Provider. At other times, Transmission Provider may also utilize

a third party consultant to perform such Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in accord with Article 26 of the LGIA (Subcontractors) and 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. In cases where Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer and Transmission Provider shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. Transmission Provider shall convey all workpapers, data bases, 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 provisions in Section 13.1. In any case, such third party contract may be entered into with either Interconnection Customer or Transmission Provider at Transmission Provider's discretion. In the case of (iii), Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this LGIP, Article 26 of the LGIA (Subcontractors), and the relevant Tariff 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 cooperate 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 the LGIA, the LGIP, 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 Notice of Dispute shall not be deemed a waiver of the requirements of, nor construed as compliance with, California Government Code Section 910 *et seq.,* or any successor statute.

Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

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"); 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 therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the LGIA and LGIP and shall have no power to modify or change any provision of the LGIA and LGIP 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.

13.5.5 Non-binding dispute resolution procedures.

If a Party has submitted a Notice of Dispute pursuant to Section 13.5.1, and the Parties are unable to resolve the claim or dispute through unassisted or assisted negotiations within the thirty (30) Calendar Days provided in that Section, and the Parties cannot reach mutual agreement to pursue the Section 13.5 arbitration process, a Party may request that Transmission Provider engage in Non-binding Dispute Resolution pursuant to this section by providing written notice to Transmission Provider ("Request for Non-binding Dispute Resolution"). Conversely, either Party may file a Request for Non-binding Dispute Resolution pursuant to this Section without first seeking mutual agreement to pursue the Section 13.5 arbitration process. The process in Section 13.5.5 shall serve as an alternative to, and not a replacement of, the Section 13.5 arbitration process. Pursuant to this process, a Transmission Provider must within 30 days of receipt of the Request for Non-binding Dispute Resolution appoint a neutral decision-maker that is an independent subcontractor that shall not have any current or past substantial business or financial relationships with either Party. Unless otherwise agreed by the Parties, the decision-maker shall render a decision within sixty (60) Calendar Days of appointment and shall notify the Parties in writing of such decision and reasons therefore. This decision-maker shall be authorized only to interpret and apply the provisions of the LGIP and LGIA and shall have no power to modify or change any provision of the LGIP and LGIA in any manner. The result reached in this process is not binding. Each Party shall be responsible for its own costs incurred during the process and the cost of the decision-maker shall be divided equally among each Party to the dispute.

13.5.6 Governing Law and Venue

This LGIP and the LGIA, and all agreements hereunder shall be interpreted, governed by, and enforced in accordance with the laws of the State of California, as if executed and to be performed wholly within the State of California.

Any dispute arising out of or relating to this LGIP and the LGIA shall be brought in a state or federal court in the County of Los Angeles in the State of California. Each Party irrevocably agrees to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens.*

13.5.7 Non-Jurisdictional Entity

Notwithstanding the form of this LGIP or the LGIA and any reference or inclusion of these documents within the Tariff, Transmission Provider is a non-public utility under section 201(f) of the Federal Power Act, 16 U.S.C. §824(f), and is subject to FERC jurisdiction only in limited circumstances pursuant to 16 U.S.C. §824j-1.

13.6 Municipal Tax-Exempt Bonds

13.6.1 Transmission Providers That Own Facilities Financed by Tax Exempt and Tax Credit Bonds

This provision is applicable to those facilities that Transmission Provider has financed with municipal tax-exempt bonds, Build America Bonds (BAB), Clean Renewable Energy Bonds ("CREBS" and "New CREBs"), Qualified Energy Conservation Bonds (QECB) and other qualified tax credit bonds (collectively "Tax Exempt and Tax Credit Bonds"). Notwithstanding any other provision of the LGIA and LGIP, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to the LGIA and LGIP if the provision of such transmission service would jeopardize the tax-exempt status, volume cap, or any federal subsidy of any Tax Exempt or Tax Credit Bond 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 bond identified within Section 13.6.1 used to finance its facilities that would be used in providing such Interconnection Service,

it shall advise the Interconnection Customer within thirty (30) Calendar Days of receipt of the Interconnection Request.

Interconnection Customer thereafter may renew its request for interconnection using the process specified in Article 5 of the Transmission Provider's Tariff.

APPENDIX 1 to LGIP
INTERCONNECTION REQUEST FOR A
LARGE GENERATING FACILITY

1. The undersigned Interconnection Customer submits this request to interconnect its Large Generating Facility with Transmission Provider's Transmission System pursuant to a Tariff.

2. This Interconnection Request is for:
   _____ A proposed new Large Generating Facility.
   _____ All or a portion is an electric storage resource.
   _____ A proposed Large Generating Facility with Interconnection Service below the Generating Facility Capacity.
   _____ An increase in the generating capacity or a Material Modification of an existing Generating Facility.
   _____ Provisional Interconnection Service.
   _____ Surplus Interconnection Service.
   _____ Technological Advancement Request.

3. The type of Interconnection Service requested (check one):
   _____ Energy Resource Interconnection Service
   _____ Network Resource Interconnection Service

   Note: For Surplus Interconnection Service requests, the type of Interconnection Service requested cannot exceed the type of Interconnection Service already provided by the original Interconnection Customer's LGIA.

4. Readiness Milestone Option selected, as specified in the LGIP, along with any supporting documentation: _____

   (Note that if the Readiness Milestone Option in Section 3.4.1(v)(d) is selected at this stage, pursuant to the LGIP, Interconnection Customer will also need to satisfy the requirements of Section 8.1 to proceed to a Facilities Study.)

5. Interconnection Customer provides the following information:

   a. Address or location (including GIS site coordinates) or the proposed new Large Generating Facility site (to the extent known) or, in the case of an existing

Generating Facility, the name and specific location of the existing Generating Facility;

b. Maximum summer at ____ degrees C and winter at _____ degrees C megawatt electrical output of the proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of an existing Generating Facility;

c. General description of the equipment configuration;

d. Anticipated In-Service Date for the proposed new Large Generating Facility (Day, Month, and Year);

e. Commercial Operation Date (Day, Month, and Year);

f. Name, address, telephone number, and e-mail address of Interconnection Customer's contact person;

g. Approximate location of the proposed Point of Interconnection;

h. Interconnection Customer Data (set forth in Attachment A);

i. Primary frequency response operating range for electric storage resources;

j. Requested capacity (in MW) of Interconnection Service (if lower than the Generating Facility Capacity);

k. General description of requested Surplus Interconnection Service, if applicable.

6. Applicable deposit amount as specified in Section 3.1 of the LGIP.

7. Site Control as specified in the LGIP: (check one)
____ Evidence is attached to this Interconnection Request
____ Site Control deposit provided in accordance with this LGIP

8. This Interconnection Request shall be submitted to the representative indicated below:

[To be completed by Transmission Provider]

9. Representative of Interconnection Customer to contact:

[To be completed by Interconnection Customer]

10. This Interconnection Request is submitted by:

Name of Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

Attachment A to Appendix 1
Interconnection Request

LARGE GENERATING FACILITY DATA

Note: A WECC-approved General Electric Company Power Systems Load Flow (PSLF) steady state and dynamic data file must be supplied with the Interconnection Request. If other data files are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.

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	$X2_v$	_____		
Negative Sequence – unsaturated	$X2_i$	_____		
Zero Sequence – saturated	$X0_v$	_____		
Zero Sequence – unsaturated	$X0_i$	_____		
Leakage Reactance	Xl_m	_____		

FIELD TIME CONSTANT DATA (SEC)

Open Circuit	T'_{do}	_____	T'_{qo}	_____
Three-Phase Short Circuit Transient	T'_{d3}	_____	T'_{q}	_____
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

Zero 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 completed General Electric Company Power Systems Load Flow (PSLF) data sheet or other compatible formats, such as IEEE and PTI power flow models, must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.

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 by (*) is required.

APPENDIX 2 to LGIP
INFORMATIONAL INTERCONNECTION STUDY REQUEST

1. The undersigned Interconnection Customer submits this request for an Informational Interconnection Study pursuant to Transmission Provider's Tariff.

2. The type of interconnection service to be evaluated (check one):
   _____ Energy Resource Interconnection Service
   _____ Network Resource Interconnection Service

3. Check here _____ only if Network Resource Interconnection Service was selected above and Interconnection Customer also requests to have its proposed Generating Facility studied for Energy Resource Interconnection Service, for informational purposes.

4. Interconnection Customer provides the following information:

   a. Address or location of the proposed new Large Generating Facility site to be studied (to the extent known) or, in the case of an existing Generating Facility, the name and specific location of the existing Generating Facility;

   b. Maximum summer at __ degrees C and winter at __ degrees C megawatt electrical output of the proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of an existing Generating Facility;

   c. General description of the equipment configuration;

   d. Commercial Operation Date to be studied (Day, Month, and Year);

   e. Name, address, telephone number, and e-mail address of Interconnection Customer's contact person;

   f. Approximate location of the proposed Point of Interconnection;

   g. Interconnection Customer Data (set forth in Attachment A);

   h. Primary frequency response operating range for electric storage resources; and

   i. Requested capacity (in MW) of Interconnection Service to be studied (if lower than the Generating Facility Capacity).

5. $10,000 study deposit amount as specified in the LGIP.

6. This Interconnection Request shall be submitted to the representative indicated below:
[To be completed by Transmission Provider]

7. Representative of Interconnection Customer to contact:
[To be completed by Interconnection Customer]

8. This Informational Interconnection Request is submitted by:

Name of Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

Attachment A to Appendix 2
Informational Interconnection Study Request

LARGE GENERATING FACILITY DATA

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	$X2_v$	_____		
Negative Sequence - unsaturated	$X2_i$	_____		
Zero Sequence - saturated	$X0_v$	_____		

Zero Sequence - unsaturated	$X0_i$	_____
Leakage Reactance	Xl_m	_____

FIELD TIME CONSTANT DATA (SEC)

Open Circuit			T'_{do}	_____	T'_{qo}	_____
Three-Phase Short Circuit Transient	T'_{d3}	_____	T'_q	_____		
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

Zero 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 set-points for the protective equipment or software:

_____

Note: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet or other compatible formats, such as IEEE and PTI power flow models, must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.

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 by (*) is required.

APPENDIX 2A TO LGIP
INFORMATIONAL INTERCONNECTION STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____ _____, 20_____ by and between _____, a _____organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ _____ a _____ existing under the laws of the State of _____, ("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 developing a Large Generating Facility or generating capacity addition to an existing Generating Facility; and

WHEREAS, Interconnection Customer is proposing to evaluate an interconnection with the Transmission System; and

WHEREAS, Interconnection Customer has submitted to Transmission Provider an Informational Interconnection Study Request; and

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

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Informational Interconnection Study consistent with Section 6 of the LGIP.

3.0 The scope of the Informational Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Informational Interconnection Study shall be performed solely for informational purposes and is not binding on either Party.

5.0 The Informational Interconnection Study shall be based on the technical information provided by Interconnection Customer in the Informational

Interconnection Study Request, as may be modified as the result of the optional scoping meeting. 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 Informational Interconnection Study. If Interconnection Customer modifies its Informational Interconnection Study Request, the time to complete the Informational Interconnection Study may be extended.

6.0 The Informational Interconnection Study Report shall provide the following information:

- preliminary identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

- preliminary identification of any thermal overload or voltage limit violations resulting from the interconnection; and

- preliminary description and non-bonding estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit and power flow issues.

7.0 Interconnection Customer shall provide a deposit of $10,000 for the performance of the Informational Interconnection Study.

Upon receipt of the Informational Interconnection Study Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Informational Interconnection Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

8.0 Miscellaneous. The Informational Interconnection Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

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.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

Attachment A to Appendix 2A
Informational Interconnection
Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE INFORMATIONAL INTERCONNECTION STUDY

The Informational Interconnection Study will be based upon the information set forth in the Informational Interconnection Study Request and agreed upon in the optional scoping meeting held on _____:

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 the Interconnection Customer and other assumptions to be provided by the Interconnection Customer and Transmission Provider]

APPENDIX 3 to LGIP
CLUSTER STUDY AGREEMENT

THIS AGREEMENT is made and entered into this___day of _____, 20___ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") 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 ("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 [CHOOSE: Large Generating Facility or Small Generating Facility] or generating capacity addition to an existing Generating Facility (including Surplus Interconnection Service and Provisional Interconnection Service) consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the [CHOOSE: Large Generating Facility or Small Generating Facility] or generating capacity addition to an existing Generating Facility (including Surplus Interconnection Service or Provisional Interconnection Service) with the Transmission System; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform a Cluster Study to assess the impact of interconnecting the [CHOOSE: Large Generating Facility or Small Generating Facility] to the Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP and, if applicable, SGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed a Cluster Study consistent with, as applicable, Section 7.0 of the LGIP or Section 3 of the SGIP in accordance with the Tariff and any associated Business Practices.

3.0 The scope of the Cluster Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Cluster Study will be based upon the information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with, as applicable, Section 4.4 of the LGIP or Section 3 of the SGIP. 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. If Interconnection Customer modifies its Interconnection Request or the technical information provided therein, the time to complete the Cluster Study may be extended.

5.0 The Cluster Study report shall provide the following information, as applicable, consistent with the type of Interconnection Service requested:

(i) identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

(ii) identification of any thermal overload or voltage limit violations resulting from the interconnection;

(iii) identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;

(iv) 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, power flow issues; and

(vii) identification of Contingent Facilities.

6.0 Interconnection Customer's deposit, paid pursuant to, as applicable, Section 3.1 of the LGIP, Attachment 2 of the SGIP, or Attachment M-1, as may be applicable, shall be used to pay Interconnection Customer's share of Cluster Study costs allocated pursuant to Section 4.2.2 of the LGIP or Section 3.4.2 of the SGIP. Transmission Provider's good faith estimate for the time of completion of the Cluster Study is [insert date].

Upon receipt of the Cluster Study, Transmission Provider shall charge and Interconnection Customer shall pay its actual allocable costs of the Cluster Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate. As provided in Section 13.3 of the LGIP, Interconnection Customer has thirty (30) Calendar Days of receipt of an invoice from Transmission Provider to pay any undisputed costs. If invoices are not paid within thirty (30) Calendar Days of receipt of an invoice, Transmission Provider shall draw upon the security and deposits provided to settle all accounts, which shall include any offsets of amounts due and owing by Transmission Provider. After the final invoice is paid and all accounts are settled, Transmission Provider shall refund all remaining security and deposits.

7.0 Miscellaneous Provisions.

7.1 Indemnification. The Parties shall at all times indemnify, defend, and hold harmless the other Parties, their respective officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, death, bodily injury or personal injury to any person, damage or destruction to any property (financial, physical, or intellectual) by or to third parties (collectively, "Losses") arising by reason of or incident to or directly or indirectly related to the other Party's acts, errors or omissions, performance or non-performance or Breach of any of their obligations of or under this Agreement, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.2 Accuracy of Information. The Interconnection Customer represents and warrants that, to the best of its knowledge and in accordance with Good Utility Practice, the information that it provides to the Transmission Provider in connection with this Cluster Study Agreement and the Cluster Study is accurate and complete. The Interconnection Customer acknowledges and accepts that it has a continuing obligation under this Cluster Study Agreement to promptly provide the Transmission Provider

with any additional information required to update the information previously provided within no less than forty-eight (48) hours.

7.3 Disclaimer of Warranty; Limitation of Liability and Release. In performing or causing the Cluster Study to be performed, the Transmission Provider may rely on the information provided by the Interconnection Customer and third parties, which Transmission Provider may not have any control over the veracity or accuracy of such information. For data, information and other studies submitted by the Interconnection Customer or obtained from third parties or industry sources, TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

Upon execution of this Cluster Study Agreement, the Interconnection Customer acknowledges and accepts that it has not relied on any representations or warranties not specifically set forth herein.

7.4 Representations and Warranties. Each Party makes the following representations, warranties and covenants:

7.4.1 Good Standing. Such Party is duly organized, validly existing and, in the case of the Interconnection Customer, in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located**;** and that it has legal 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.

7.4.2 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), and, in the case of the Transmission Provider, the limitations on legal remedies against municipal corporations in the State of California.

7.4.3 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.

7.4.4 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.

7.5 Force Majeure.

7.5.1 A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence (which does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to the additional requirement of a Force Majeure Written Notice set forth in Section 7.5.2.

7.5.2 A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall provide the Force Majeure Immediate Notice pursuant to Section 7.5.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set forth above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate

period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

7.6 Assignment. This Cluster Study Agreement shall not be assigned, conveyed or transferred to any third party unless the provisions of Section 4.3 of the LGIP have been satisfied and Transmission Provider consents to such assignment, conveyance or transfer in writing.

7.7 Governing Law. This Agreement was made and entered into in the City of Los Angeles and 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.

7.8 Venue. All litigation arising out of, or relating to this Cluster Study Agreement, shall be brought in a court of competent jurisdiction located in Los Angeles County, 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.*

7.9 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this Cluster Study Agreement, or with respect to any other matter arising in connection with said agreement, shall not be deemed a waiver with respect to any subsequent default or other mater arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

7.10 Binding Effect. This Cluster Study Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors or assigns, subject to Section 4.3 of the LGIP.

7.11 Attorney Fees and Costs. Both Parties agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorney fees and costs.

7.12 Entire Agreement. This Cluster Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This Agreement may be amended only by a written document signed by both Parties.

7.13 Signatures. This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

8.0 Termination or Withdrawal. Any request to terminate or withdraw from a study, expressly excepting any request for an extension of time on the Cluster Study not to exceed one year from the date that the Transmission Provider commenced the study, shall be deemed as a withdrawal of the Interconnection Request in accordance with Section 3.7 of the LGIP.

9.0 Term of Agreement. This agreement shall become effective on the day and year first above written and shall remain in effect for an initial term of one (1) year. The term of this agreement may be extended by mutual agreement of the Parties, provided, however, that in no event shall the total term of this agreement be longer than three (3) years from the day and year first above written.

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.

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

Attachment A to Appendix 3
Cluster Study Agreement

ASSUMPTIONS USED IN CONDUCTING
CLUSTER STUDY

The Cluster Study will be based upon the information set forth in the Interconnection Request and results of applicable prior Interconnection Studies, subject to any modifications in accordance with Section 4.4 of the LGIP and Section 1.4 of the SGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

[Above assumptions to be completed by Interconnection Customer, and other assumptions to be provided by Interconnection Customer and Transmission Provider]

Note: All information below shall be considered preliminary at this time as it is subject to detailed design and verification later

1. **One-line Diagram/Configuration Layout of Interconnection Customer's Facility:**
   (To be provided by the Interconnection Customer)

2. **Interconnection Transmission Line Description**

Interconnection Line	R1 p.u. on 100 MVA base	X1 p.u on 100 MVA base	B p.u on 100 MVA base	R0 p.u on 100 MVA base	X0 p.u. on 100 MVA base

Interconnection Line	Length (mi.)	Conductor Type & Size	Normal Rating (MVA)	Emergency Rating (MVA)

R1, X1, B = positive sequence ,

R0, X0 = zero sequence

3. Generator Step Up Transformer Equivalent

- Transformer winding vector group connection diagrams (ex: **D-Y, Y-D, Y-Y, Y-D-Y**);
- Neutral grounding impedance(s) if applied (ohms)

Transformer Name	Xfmr Rating (MVA)	R1 Pri. to Sec. on 100 MVA base	X1 Pri. to Sec. on 100 MVA base	R1 Pri. to tert. on 100 MVA base*	X1 Sec. to tert. on 100 MVA base*	R1 Sec. to tert. on 100 MVA base*	X1 Sec. to tert. on 100 MVA base*	Tertiary Winding Voltage*
		R0 Pri. to Sec. on 100 MVA base**	X0 Pri. to Sec. on 100 MVA base**	R0 Pri. to tert. on 100 MVA base*	X0 Pri. to tert. on 100 MVA base*	R0 Sec. to tert. on 100 MVA base*	X0 Sec. to tert. on 100 MVA base*	
	Vnorm (from)	Vnorm (to)	Tap (from)	Tap (to)	Variable Tap	Tap (max)	Tap (min)	Tap Step size

*** transformer tertiary winding (if applicable)**
**** with delta tertiary in service (if applicable)**
R1, X1 = positive sequence, R0, X0 = zero sequence

4. Collector System Cable Equivalent Impedance (one line for each collector feeder)

R1 p.u. on 100 MVA base	X1 p.u. on 100 MVA base	B p.u on 100 MVA base	R0 p.u on 100 MVA base	X0 p.u. on 100 MVA base	Rating (MVA) Cont. & Emergency

5. Collector Substation Transformers

- Transformer winding vector group connection diagrams (ex: D-Y, Y-D, Y-Y)
- Neutral grounding impedance(s) if applied (ohms and winding(s))

Transformer Name	TransformerRating (MVA)	R1 p.u. on 100 MVA base	X1 p.u. on 100 MVA base	R0 p.u. on 100 MVA base	X0 p.u. on 100 MVA base			
	Vnorm (from)	Vnorm (to)	Tap (from)	Tap (to)	Variable Tap	Tap (max)	Tap (min)	Tap Step Size

6. Generator Equivalent

Unit	Rated voltage (kV)	Rated power (MVA)	X''1 on 100 MVA Base (pu)	X"2 on 100 MVA Base (pu)	X"0 on 100 MVA Base (pu)	Pmax MW	Pmin MW	Qmax MVars	Qmin MVars	Regulated Bus
In the case of power electronic sources, steady state current limit for short circuit currents (A at rated voltage)										
			-	-	-					

***Qmax indicated is indicative of maximum reactive capability at Pmax**

X"1 = Positive Sequence (first cycle),
X"2 = Negative Sequence (first cycle)
X'0 = Zero Sequence (includes any neutral grounding impedance if applied)

7. Plant-level Reactive Power Compensation

Shunt Capacitor Power Compensation	Size (MVAR)

Shunt Reactor Power Compensation	**Size (MVAR)**

8. **Dynamic Data** (To be provided by the requestor)

All the appropriate dynamic data for each generator, governor, exciter, power system stabilizer, and/or wind turbine, photo-voltaic, and energy storage must be supplied in the GE PSLF format.

The dynamic model data provided shall be a WECC approved model.

9. Additional Data for Harmonic Study

- Inverter specification (Electrical Characteristics) sheet
- Harmonic Frequency Spectrum of the inverter
- Main Transformer MVA rating under normal operating conditions

APPENDIX 4 to LGIP
INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this___day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") 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 ("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, Transmission Provider has completed a 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.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause an Interconnection Facilities Study consistent with Section 8.0 of this LGIP to be performed in accordance with the Tariff and any associated Business Practices.

2.1 Interconnection Customer shall provide (a) a demonstration of Site Control and (b) a Readiness Milestone Option or additional financial security payment in accordance with Section 8.1 of the LGIP.

3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.

4.0 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, power flow issues identified in the Cluster Study, as applicable, consistent with the type of Interconnection Service requested.

5.0 Interconnection Customer shall pay the actual costs of the Interconnection Facilities Study. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice.

6.0 Miscellaneous Provisions.

6.1 Indemnification. The Parties shall at all times indemnify, defend, and hold harmless the other Parties, their respective officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, death, bodily injury or personal injury to any person, damage or destruction to any property (financial, physical, or intellectual) by or to third parties (collectively, "Losses") arising by reason of or incident to or directly or indirectly related to the other Party's acts, errors or omissions, performance or non-performance or Breach of any of

their obligations of or under this Agreement, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

6.2 Accuracy of Information. The Interconnection Customer represents and warrants that, to the best of its knowledge and in accordance with Good Utility Practice, the information that it provides to the Transmission Provider in connection with this Interconnection Facilities Study Agreement and the Interconnection Facilities Study is accurate and complete. The Interconnection Customer acknowledges and accepts that it has a continuing obligation under this Interconnection Facilities Study Agreement to promptly provide the Transmission Provider with any additional information required to update the information previously provided within no less two (2) Business Days.

6.3 Disclaimer of Warranty; Limitation of Liability and Release. In performing or causing the Interconnection Facilities Study to be performed, the Transmission Provider may rely on the information provided by the Interconnection Customer and third parties, which Transmission Provider may not have any control over the veracity or accuracy of such information. For data, information and other studies submitted by the Interconnection Customer or obtained from third parties or industry sources, TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO

EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

Upon execution of this Interconnection Facilities Study Agreement, the Interconnection Customer acknowledges and accepts that it has not relied on any representations or warranties not specifically set forth herein.

6.4 Representations and Warranties. Each Party makes the following representations, warranties and covenants:

6.4.1 Good Standing. Such Party is duly organized, validly existing and, in the case of the Interconnection Customer, in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located**;** and that it has legal 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.

6.4.2 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), and, in the case of the Transmission Provider, the limitations on legal remedies against municipal corporations in the State of California.

6.4.3 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.

6.4.4 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.

6.5 Force Majeure.

6.5.1 A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence (which does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to the additional requirement of a Force Majeure Written Notice set forth in Section 6.5.2.

6.5.2 A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall provide the Force Majeure Immediate Notice pursuant to Section 6.5.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure

Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set forth above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

6.6 Assignment. This Interconnection Facilities Study Agreement shall not be assigned, conveyed or transferred to any third party unless the provisions of Section 4.3 of the LGIP have been satisfied and Transmission Provider consents to such assignment, conveyance or transfer in writing.

6.7 Governing Law. This Agreement was made and entered into in the City of Los Angeles and 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.

6.8 Venue. All litigation arising out of, or relating to this Interconnection Facilities Study Agreement, shall be brought in a court of competent jurisdiction located in Los Angeles County, 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.*

6.9 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this Interconnection Facilities Study Agreement, or with respect to any other matter arising in connection with said agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. Any delay, short of the statutory period of

limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

6.10 Binding Effect. This Interconnection Facilities Study Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors or assigns, subject to Section 4.3 of the LGIP.

6.11 Attorney Fees and Costs. Both Parties agree that in any action to enforce the terms of this agreement that each Party shall be responsible for its own attorney fees and costs.

6.12 Entire Agreement. This Interconnection Facilities Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This agreement may be amended only by a written document signed by both Parties.

6.13 Signatures. This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

7.0 Termination or Withdrawal. Any request to terminate or withdraw from a study, expressly excepting any request for an extension of time on the Interconnection Facilities Study not to exceed one year from the date that the Transmission Provider commenced the study, shall be deemed as a withdrawal of the Interconnection Request in accordance with Section 3.7 of the LGIP.

8.0 Term of Agreement. This agreement shall become effective on the day and year first above written and shall remain in effect for an initial term of one (1) year. The term of this agreement may be extended by mutual agreement of the Parties, provided, however, that in no event shall the total term of this agreement be longer than three (3) years from the day and year first above written.

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.

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

By: _____

Title: _____

Date: _____

INTERCONNECTION CUSTOMER

By: _____

Title: _____

Date: _____

Attachment A to Appendix 4
Interconnection Facilities
Study Agreement

INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR CONDUCTING THE INTERCONNECTION FACILITIES STUDY

Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after of receipt of an executed copy of this Interconnection Facilities Study Agreement:

- ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report, or

- one hundred eighty (180) Calendar Days with no more than a +/- 10 percent cost estimate contained in the report.

Attachment B to Appendix 4
Interconnection Facilities
Study Agreement

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, etc.

One set of metering is required for each generation connection to the new ring bus 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 location of auxiliary power. (Minimum load on CT/PT) Amps

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, control equipment, and/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:

_____

Bus 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:

Begin Construction	Date: _____
Generator step-up transformer receives back feed power	Date: _____
Generation Testing	Date: _____
Commercial Operation	Date: _____

APPENDIX 5 to LGIP
SURPLUS INTERCONNECTION SERVICE SYSTEM IMPACT STUDY AGREEMENT

THIS AGREEMENT is made and entered into this_____ day of ____, 20___ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") 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 ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, in accordance with a request submitted to the Transmission Provider on _____Interconnection Customer is proposing to utilize Surplus Interconnection Service associated with a Large Generating Facility operating under an LGIA between _____("Original Interconnection Customer") and Transmission Provider dated_____ _____;

WHEREAS, Interconnection Customer desires to utilize Surplus Interconnection Service of an existing Generating Facility interconnected with the Transmission System; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform a Surplus Interconnection Service System Impact Study to assess the impact of utilization of Surplus Interconnection Service on the Transmission System, and any Affected Systems.

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

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed a Surplus Interconnection Service System Impact Study consistent with Section 3 of this LGIP and any associated Business Practices as posted on Transmission Provider on its OASIS site.

3.0 The scope of the Surplus Interconnection Service System Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Surplus Interconnection Service System Impact Study will be performed based on the requirements of Section 3 of Transmission Provider's LGIP and the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 4.4 of the 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 Surplus Interconnection Service System Impact Study. If Interconnection Customer modifies its Interconnection Request, or the technical information provided therein is modified, the time to complete the Surplus Interconnection Service System Impact Study may be extended.

5.0 The Surplus Interconnection Service System Impact 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.

6.0 Transmission Provider's good faith estimate for the time of completion of the Surplus Interconnection Service System Impact Study is _____, 20_____. Interconnection Customer's deposit for the Surplus Interconnection Service System Impact Study shall be the same $10,000 provided by the Interconnection Customer as part of the Surplus Interconnection Service Request.

Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Surplus Interconnection Service System Impact 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.

7.0 Miscellaneous Provisions.

7.1 Indemnification. The Parties shall at all times indemnify, defend, and hold harmless the other Parties, their respective officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, death, bodily injury or personal injury to any person, damage or destruction to any property (financial, physical, or intellectual) by or to third parties (collectively, "Losses") arising by reason of or incident to or directly or indirectly related to the other Party's acts, errors or omissions, performance or non-performance or Breach of any of their obligations of or under this Agreement, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.2 Accuracy of Information. The Interconnection Customer represents and warrants that, to the best of its knowledge and in accordance with Good Utility Practice, the information that it provides to the Transmission Provider in connection with this Surplus Interconnection Service System Impact Study Agreement and the Cluster Study is accurate and complete. The Interconnection Customer acknowledges and accepts that it has a continuing obligation under this Surplus Interconnection Service System Impact Study Agreement to promptly provide the Transmission Provider with any additional information required to update the information previously provided within no less than forty-eight (48) hours.

7.3 Disclaimer of Warranty; Limitation of Liability and Release. In performing or causing the Surplus Interconnection System Impact Study to be performed, the Transmission Provider may rely on the information provided by the Interconnection Customer and third parties, which Transmission Provider may not have any control over the veracity or

accuracy of such information. For data, information and other studies submitted by the Interconnection Customer or obtained from third parties or industry sources, TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

Upon execution of this Surplus Interconnection System Impact Study Agreement, the Interconnection Customer acknowledges and accepts that it has not relied on any representations or warranties not specifically set forth herein.

7.4 Representations and Warranties. Each Party makes the following representations, warranties and covenants:

7.4.1 Good Standing. Such Party is duly organized, validly existing and, in the case of the Interconnection Customer, in good standing

under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located**;** and that it has legal 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.

7.4.2 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), and, in the case of the Transmission Provider, the limitations on legal remedies against municipal corporations in the State of California.

7.4.3 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.

7.4.4 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.

7.5 Force Majeure.

7.5.1 A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure

that, despite the exercise of due diligence (which does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to the additional requirement of a Force Majeure Written Notice set forth in Section 7.5.2.

7.5.2 A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall provide the Force Majeure Immediate Notice pursuant to Section 7.5.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set forth above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

7.6 Assignment. This Surplus Interconnection System Impact Study Agreement shall not be assigned, conveyed or transferred to any third

party unless the provisions of Section 4.3 of the LGIP have been satisfied and Transmission Provider consents to such assignment, conveyance or transfer in writing.

7.7 Governing Law. This Agreement was made and entered into in the City of Los Angeles and 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.

7.8 Venue. All litigation arising out of, or relating to this Surplus Interconnection System Impact Study Agreement, shall be brought in a court of competent jurisdiction located in Los Angeles County, 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.*

7.9 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this Surplus Interconnection System Impact Study Agreement, or with respect to any other matter arising in connection with said agreement, shall not be deemed a waiver with respect to any subsequent default or other mater arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

7.10 Binding Effect. This Surplus Interconnection System Impact Study Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors or assigns, subject to Section 4.3 of the LGIP.

7.11 Attorney Fees and Costs. Both Parties agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorney fees and costs.

7.12 Entire Agreement. This Surplus Interconnection System Impact Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This Agreement may be amended only by a written document signed by both Parties.

7.13 Signatures. This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

8.0 Term of Agreement. This agreement shall become effective on the day and year first above written and shall remain in effect for an initial term of one (1) year. The term of this agreement may be extended by mutual agreement of the Parties, provided, however, that in no event shall the total term of this agreement be longer than three (3) years from the day and year first above written.

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.

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

OATT Effective [Insert]

Attachment A To Appendix 5
Surplus Interconnection Service System Impact
Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE
SURPLUS INTERCONNECTION SERVICE SYSTEM IMPACT STUDY

The Surplus Interconnection Service System Impact Study will be based upon the results of the Original Interconnection Customer's system impact study (if any) or Cluster Study, and the following assumptions:

Existing Point of Interconnection of Original Interconnection Customer:

Note: For Surplus Interconnection Service requests, the request cannot exceed the type of Interconnection Service already provided by the Original Interconnection Customer's LGIA.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

APPENDIX 6 TO LGIP

LARGE GENERATOR INTERCONNECTION AGREEMENT

Appendix 6 to the Large Generator Interconnection Procedures

FORM OF LARGE GENERATOR

INTERCONNECTION AGREEMENT (LGIA)

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LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS LARGE GENERATOR INTERCONNECTION AGREEMENT ("Agreement") is made and entered into this ____ day of _____ 20__, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), and the Department of Water and Power of the City of Los Angeles, a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California ("Transmission Provider" and/or "Transmission Owner"). Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

Recitals:

WHEREAS, Transmission Provider operates the Transmission System; and

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

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

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

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

Article 1: Definitions

Adverse System Impact:

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

Affected System:

Shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator:

Shall mean the entity that operates an Affected System.

Affiliate:

Shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Ancillary Services:

Shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations:

Shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council:

Shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards:

Shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case:

Shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach:

Shall mean the failure of a Party to perform or observe any material term or condition of the Large Generator Interconnection Agreement.

Breaching Party:

Shall mean a Party that is in Breach of the Large Generator Interconnection Agreement.

Business Day:

Shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day:

Shall mean any day including Saturday, Sunday or a Federal Holiday.

Cluster:

Shall mean a group of Interconnection Requests (one or more) that are studied together for the purpose of conducting the Cluster Study.

Cluster Area:

Shall mean the areas of the Transmission Provider's Transmission System that are included together in a Cluster, as described further in Section 7.4 of the LGIP.

Cluster Request Window:

Shall have the meaning set forth in Section 4.2.1 of the LGIP.

Cluster Re-Study:

Shall mean a re-study of a Cluster Study conducted pursuant to Section 7.4 of the LGIP.

Cluster Re-Study Report:

Shall mean the report issued following completion of a Cluster Re-Study pursuant to Section 7.5 of the LGIP.

Cluster Re-Study Meeting:

Shall mean the meeting held to discuss the results of a Cluster Re-Study pursuant to Section 7.5 of the LGIP.

Cluster Study:

Shall mean an Interconnection Study evaluating one or more Interconnection Requests within a Cluster, as described in more detail in Section 7.4 of the LGIP.

Cluster Study Agreement:

Shall mean the form of agreement contained in Appendix 3 to the Large Interconnection Procedures for conducting the Cluster Study.

Cluster Study Report:

Shall mean the report issued following completion of a Cluster Study pursuant to Section 7.4 of the LGIP.

Cluster Study Report Meeting:

Shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7.4 of the LGIP.

Clustering:

Shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, as described in more detail in Section 7 of the LGIP.

Commercial Operation:

Shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date:

Of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Large Generator Interconnection Agreement.

Confidential Information:

Shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Control Area:

Shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by the Applicable Reliability Council.

Default:

Shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Large Generator Interconnection Agreement.

Dispute Resolution:

Shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System:

Shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from

interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades:

Shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date:

Shall mean the date on which the Large Generator Interconnection Agreement becomes effective upon execution by the Parties.

Emergency Condition:

Shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service:

Shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or non-firm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement:

Shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law:

Shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act:

Shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC:

Shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Force Majeure:

Shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, or any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility:

Shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity:

Shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice:

Shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts

which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority:

Shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof. In this context Transmission Provider does not include the City of Los Angeles or the Board of Water and Power Commissioners. Transmission Provider only includes the Department of Water and Power.

Hazardous Substances:

Shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Informational Interconnection Study:

Shall mean an analysis based on assumptions specified by Interconnection Customer in the Informational Interconnection Study Agreement and conducted pursuant to Section 6 of the LGIP.

Informational Interconnection Study Agreement:

Shall mean the form of agreement contained in Appendix 2A to the Large Generator Interconnection Procedures for conducting the Informational Interconnection Study.

Informational Interconnection Study Request:

Shall mean an Interconnection Customer's request in the form of Appendix 2 to the Large Generator Interconnection Procedures.

Initial Synchronization Date:

Shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date:

Shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer:

Shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System. For purposes of the Transmission Provider's Cluster Study process conducted pursuant to Section 7 of the LGIP, and except as modified by Section 3 of Attachment N of the Transmission Provider's Tariff, "Interconnection Customer" shall also mean any Small Generating Facility that is participating in a Cluster.

Interconnection Customer's Interconnection Facilities:

Shall mean all facilities and equipment, as identified in Appendix A of the Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities:

Shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network

Upgrades or Network Upgrades. Interconnection Facilities may be shared by more than one Generating Facility in a Cluster.

Interconnection Facilities Study:

Shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Cluster Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement:

Shall mean the form of agreement contained in Appendix 4 of the Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Request:

Shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System. For purposes of the Transmission Provider's Cluster Study process conducted pursuant to Section 7 of the LGIP, and except as modified by Section 1.3 of Attachment N of the Transmission Provider's Tariff, "Interconnection Request" shall also mean any interconnection request from a Small Generating Facility that is participating in a Cluster.

Interconnection Service:

Shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Study:

Shall mean any of the following studies: the Informational Interconnection Study, the Cluster Study, Surplus Interconnection Service System Impact Study, and the Interconnection Facilities Study described in the Large Generator Interconnection Procedures.

IRS:

Shall mean the Internal Revenue Service.

Joint Operating Committee:

Shall be a group made up of representatives from Interconnection Customer and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility:

Shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Loss:

Shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Large Generator Interconnection Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnifying Party.

Material Modification:

Shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment:

Shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC:

Shall mean the North American Electric Reliability Corporation or its successor organization.

Network Resource:

Shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service:

Shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades:

Shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute:

Shall mean a written notice of a dispute or claim that arises out of or in connection with the Large Generator Interconnection Agreement or its performance.

Party or Parties:

Shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership:

Shall mean the point, as set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Interconnection:

Shall mean the point, as set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Provisional Interconnection Service:

Shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement:

Shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position:

Shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time Interconnection Customer satisfies all of the requirements of Sections 3, 4, and 7 of Transmission Provider's LGIP to enter the Cluster Study Process.

Reasonable Efforts:

Shall mean, with respect to an action required to be attempted or taken by a Party under the Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Readiness Milestone Options:

Shall mean the options set forth in Section 3.4.1(v) of the LGIP.

Resource Plan:

Shall mean any process authorized or required by Applicable Laws and Regulations for, inter alia, the selection of Generating Facilities.

Resource Solicitation Process:

Shall mean any process authorized or required by Applicable Laws and Regulations for the acquisition of Network Resources.

Scoping Meeting:

Shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing the proposed interconnection request, alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to affect such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control:

Shall mean 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 interest in a site of sufficient size to construct and operate the Generating Facility; or (3) any other documentation that clearly demonstrates the right of the Interconnection Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. Site Control for any co-located project is demonstrated by a contract or other agreement demonstrating shared land use for all co-located projects that meet the aforementioned provisions of this Site Control definition.

Small Generating Facility:

Shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades:

Shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System

during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Large Generator Interconnection Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

Surplus Interconnection Service System Impact Study:

Shall mean an engineering study that evaluates the impact of a proposed request for Surplus Interconnection Service on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Large Generator Interconnection Procedures.

Surplus Interconnection Service System Impact Study Agreement:

Shall mean the form of agreement contained in Appendix 5 of the Large Generator Interconnection Procedures for conducting a system impact study for purposes of evaluating a request for Surplus Interconnection Service pursuant to Section 3.3 of the LGIP.

Surplus Interconnection Service:

Shall mean any unneeded portion of Interconnection Service established in a 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 Protection Facilities:

Shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff:

Shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as amended or supplemented from time to time, or any successor tariff.

Transmission Owner:

Shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider:

Shall mean the transmitting utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission Provider's Interconnection Facilities:

Shall mean all facilities and equipment owned, controlled or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades. Transmission Provider's Interconnection Facilities may be shared by more than one Generating Facility in a given Cluster Study.

Transmission System:

Shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation:

Shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Variable Energy Resource:

Shall mean a device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

Withdrawal Penalty:

Shall have the meaning set forth in Section 3.7.1 of the LGIP.

Article 2: Effective Date, Term, and Termination

2.1 Effective Date:

This LGIA shall become effective upon execution by the Parties.

2.2 Term of Agreement:

Subject to the provisions of Article 2.3, this LGIA shall remain in effect: (i) for a period of ten (10) years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures:

2.3.1 Written Notice:

This LGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice or by Transmission Provider if the Generating Facility permanently ceases Commercial Operation. This LGIA shall be terminated by Transmission Provider if the Generating Facility or a portion of the Generating Facility fails to achieve Commercial Operation by the Commercial Operation Date established in accordance with Section 4.4.5 of the LGIP, including any extension provided thereunder, or, having previously achieved Commercial Operation, has ceased Commercial Operation for three (3) consecutive years, beginning with the last date of Commercial Operation for the Generating Facility, after giving Interconnection Customer ninety (90) Calendar Days advance written notice. When only a portion of the Generating Facility fails to achieve Commercial Operation by the Commercial Operation Date established in accordance with Section 4.4.5 of the LGIP, including any extension provided thereunder, Transmission Provider shall

terminate only that portion of the LGIA. Notwithstanding the foregoing, in the limited circumstance that the Interconnection Request is served by a Contingent Facility with an in-service date that is later than the Commercial Operation Date permitted under Section 4.4.5 of the LGIP, Transmission Provider shall terminate this LGIA only for failure to achieve Commercial Operation by ninety (90) Calendar Days after that later in-service date of the Contingent Facility. The Generating Facility will not be deemed to have ceased Commercial Operation for purposes of this Article 2.3.1 if Interconnection Customer can document that it has taken other significant steps to maintain or restore operational readiness of the Generating Facility for the purpose of returning the Generating Facility to Commercial Operation as soon as possible.

2.3.2 Default:

Either Party may terminate this LGIA in accordance with Article 17.

2.3.3 Notwithstanding Articles 2.3.1 and 2.3.2:

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations and satisfy all outstanding obligations incurred prior to and through the noticed date of termination.

2.4 Termination Costs:

If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA:

2.4.1:

With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that, in the event Interconnection Customer elects not to authorize such cancellation Interconnection Customer shall

assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment and, if necessary, assign such contracts to Interconnection Customers as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return of such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2:

Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3:

With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection:

Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

2.6 Survival:

This LGIA shall continue in effect after termination to the extent necessary: to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3: Regulatory Filings

3.1 Filing:

Transmission Provider shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this LGIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

Article 4: Scope of Service

4.1 Interconnection Product Options:

Interconnection Customer has selected the following (checked) type of Interconnection Service:

4.1.1 Energy Resource Interconnection Service:

4.1.1.1 The Product:

Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive Energy Resource Interconnection Service, Transmission Provider shall construct facilities identified in Attachment A.

4.1.1.2 Transmission Delivery Service Implications:

Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so (e.g., PJM, ISO-NE, NYISO), Interconnection Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.

4.1.2 Network Resource Interconnection Service:

4.1.2.1 The Product:

Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its

generating facilities to serve native load customers; or (2) in an ISO or RTO with market-based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Attachment A to this LGIA.

4.1.2.2 Transmission Delivery Service Implications:

Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be consistent with traditional principles, processes and procedures of cost-of-service ratemaking.

Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the

output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.

4.2 Provision of Service:

Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

4.3 Performance Standards:

Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a Transmission Provider or Transmission Owner, then that Party shall amend the LGIA accordingly. Additionally, the Interconnection Customer shall have a continuing duty to comply with Attachment O of this Tariff, as applicable.

4.4 No Transmission Delivery Service:

The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.5 Interconnection Customer Provided Services:

The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5: Interconnection Facilities Engineering, Procurement, and Construction

5.1 Options:

Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either the Standard Option or Alternate Option set forth below and such dates and selected option shall be set forth in Appendix B, Milestones. At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to Transmission Provider, the Interconnection Customer shall notify Transmission Provider within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

5.1.1 Standard Option:

Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Reserved: .

5.1.3 Option to Build:

Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option:

If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives, or the procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades ifthe Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then pursuant to Article 5.1.1 (Standard Option), Transmission Provider shall assume responsibility for the design, procurement and construction of all facilities other than Transmission Provider's Interconnection

Facilities and Stand Alone Network Upgrades ifthe Interconnection Customer elects to exercise the Option to Build.

5.2 General Conditions Applicable to Option to Build:

If Interconnection Customer assumes responsibility for the design procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades:

(1)

Interconnection Customer shall engineer, procure equipment, and construct Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using the standards and specifications provided in advance by Transmission Provider;

(2)

Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(3)

Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(4)

Prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider;

(5)

At any time during construction, Transmission Provider shall have the right to gain unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(6)

At any time during the construction, should any phase of the engineering, equipment procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(7)

Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;

(8)

Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

(9)

Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Transmission Provider; and

(10)

Transmission Provider shall approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the In-Service Date to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(11)

Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand Alone Network Upgrades are built to the standards and specifications required by Transmission Provider.

(12)

If Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, Interconnection Customer shall pay Transmission Provider the agreed upon amount of [$ PLACEHOLDER] for Transmission Provider to execute the responsibilities enumerated to Transmission Provider under Article 5.2. Transmission Provider shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

5.3 Liquidated Damages:

The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraph 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ¼ of 1 percent per day of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades for which Transmission Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Transmission Provider to Interconnection Customer as just compensation for the damages caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy

for the Transmission Provider's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless Interconnection Customer would have been able to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation or to export power from the Large Generating Facility, but for Transmission Provider's delay; (2) Transmission Provider's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with Transmission Provider or any cause beyond Transmission Provider's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 Power System Stabilizers:

The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed power system stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's power system stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

5.5 Equipment Procurement:

If responsibility for construction of Transmission Provider's Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1:

Transmission Provider has completed the Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;

5.5.2:

Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.5.3:

Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement:

Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1:

Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2:

Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;

5.6.3:

Transmission Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.6.4:

Interconnection Customer has provided security to Transmission Provider in

accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.7 Work Progress:

The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.

5.8 Information Exchange:

As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 Other Interconnection Options:

5.9.1 Limited Operation:

If any of Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

5.9.2 Provisional Interconnection Service:

Upon the request of Interconnection Customer, and prior to completion of requisite

Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities Transmission Provider may execute a Provisional Large Generator Interconnection Agreement. Transmission Provider shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Generating Facility or Transmission System. Transmission Provider shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities that are necessary to meet the requirements of NERC, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Generating Facility are in place prior to the commencement of Interconnection Service from the Generating Facility. Where available studies indicate that such, Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Generating Facility are not currently in place, Transmission Provider will perform a study, at the Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Generating Facility in the Provisional Large Generator Interconnection Agreement shall be studied and updated [on a frequency determined by Transmission Provider and at the Interconnection Customer's expense]. Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional Large Generator Interconnection Agreement and the Large Generator Interconnection Agreement, including changes in output limits and Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities cost responsibilities.

5.10 Interconnection Customer's Interconnection Facilities: ("ICIF"):

Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.10.1 Interconnection Customer's Interconnection Facility Specifications:

Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such

specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Transmission Provider's Review:

Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.

5.10.3 ICIF Construction:

The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Transmission Provider's Interconnection Facilities Construction:

Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection

Customer the following "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities including relay diagrams.

Transmission Provider will obtain ownership (unless otherwise agreed by the Transmission Provider) and control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.12 Access Rights:

Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13 Lands of Other Property Owners:

If any part of Transmission Provider or Transmission Owner's Interconnection Facilities, Stand Alone Network Upgrades, and/or Network Upgrades is to be installed on property owned by persons other than Transmission Provider or Transmission Owner, Transmission Provider or Transmission Owner shall at Interconnection Customer's expense use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Provider or Transmission Owner's Interconnection Facilities, Stand Alone Network Upgrades, and/or Network Upgrades upon such property.

5.14 Permits:

Transmission Provider or Transmission Owner and Interconnection Customer shall

cooperate with each other in good faith in obtaining all permits, licenses, and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Transmission Provider or Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's, generation.

5.15 Early Construction of Base Case Facilities:

Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Interconnection Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 Suspension:

Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria.

In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so. Interconnection Customer shall also be obligated to pay any applicable penalties associated with the suspension, pursuant to Section 3.7 of the LGIP.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. Except as provided in Article

5.16.2 below, in the event Interconnection Customer suspends work by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

5.16.1 Effect of Misused Interconnection Customer LGIA Milestones:

If Interconnection Customer fails to provide notice of suspension pursuant to Article 5.16, and Interconnection Customer fails to fulfill or complete any Interconnection Customer LGIA Milestone provided in Appendix B ("LGIA Milestone"), this constitutes a Breach under this LGIA. Depending upon the consequences of the Breach and effectiveness of the cure pursuant to Article 17, Transmission Provider's LGIA Milestones may be revised, following consultation with Interconnection Customer, consistent with Reasonable Efforts, and in consideration of all relevant circumstances. Parties shall employ Reasonable Efforts to maintain their remaining respective LGIA Milestones.

5.16.2 Effect of Suspension; Parties Obligations:

In the event that Interconnection Customer suspends work pursuant to this Article 5.16, the applicable construction duration, timelines and schedules set forth in Appendix B shall be suspended during the period of suspension. Should Interconnection Customer thereafter request that work be recommenced, Appendix A and Appendix B may be revised to account for construction sequencing and modified milestones. If the Commercial Operation Date is extended beyond three (3) cumulative years described in Section 4.4.5 of the LGIP and Article 2.3.1 of this LGIA, such an extension may be considered a Material Modification and result in the termination of the LGIA under Article 2.3.1. Interconnection Customer is required to maintain Site Control while this LGIA is in effect, including during suspension.

5.17 Taxes:

To the extent that Transmission Provider becomes subject to Federal income taxation, the following provisions within this Article 5.17 shall apply:

5.17.1 Interconnection Customer Payments Not Taxable:

The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Provider for the installation of Transmission Provider's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants:

In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Transmission Provider for Transmission Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Transmission Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Transmission Provider's request, Interconnection Customer shall provide Transmission Provider with a report from an independent engineer confirming its representation in clause (iii), above. Transmission Provider represents and covenants that the cost of Transmission Provider's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Provider:

Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify

and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments, property transfers, or its use of the Transmission Provider's Interconnection Facilities or the Transmission System by Interconnection Customer under the terms and conditions of this LGIA, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Transmission Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Transmission Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation; provided, however, that Transmission Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Provider (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten-year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount:

Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Transmission Provider, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Transmission Provider ("Current Taxes") on the excess of (a) the gross income realized by Transmission Provider as a result of payments

or property transfers made by Interconnection Customer to Transmission Provider under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Transmission Provider to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Transmission Provider's composite federal and state tax rates at the time the payments or property transfers are received and Transmission Provider will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Transmission Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Transmission Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: (Current Tax Rate x (Gross Income Amount – Present Value of Tax Depreciation))/(1-Current Tax Rate). Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law:

At Interconnection Customer's request and expense, Transmission Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Transmission Provider under this LGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Transmission Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Transmission Provider shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Transmission Provider shall allow Interconnection Customer to attend all meetings with IRS officials about the request

and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events:

If, within 10 years from the date on which the relevant Transmission Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and Transmission Provider retains ownership of the Interconnection Facilities and Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Transmission Provider, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests:

In the event any Governmental Authority determines that Transmission Provider's receipt of payments or property constitutes income that is subject to taxation, Transmission Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Transmission Provider may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Transmission Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Transmission Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Transmission Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from

nationally-recognized tax counsel, selected by Transmission Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Transmission Provider for the tax at issue in the contest.

5.17.8 Refund:

In the event that (a) a private letter ruling is issued to Transmission Provider which holds that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Transmission Provider in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not taxable to Transmission Provider, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Transmission Provider are not subject to federal income tax, or (d) if Transmission Provider receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Transmission Provider pursuant to this LGIA, Transmission Provider shall promptly refund to Interconnection Customer the following:

(i)

Any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable,

(ii)

Interest on any amounts paid by Interconnection Customer to Transmission Provider for such taxes which Transmission Provider did not submit to the taxing authority, calculated in accordance with the methodology set forth in

FERC's regulations at 18 CFR § 35.19a (a)(2)(iii) from the date payment was made by Interconnection Customer to the date Transmission Provider refunds such payment to Interconnection Customer, and

(iii)

With respect to any such taxes paid by Transmission Provider, any refund or credit Transmission Provider receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Transmission Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Transmission Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Transmission Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Transmission Provider's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes:

Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this LGIA. Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be

responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider.

5.17.10 Transmission Owners Who Are Not Transmission Providers:

If Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall be deemed also to refer to and include the Transmission Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed in writing to assume all of the duties and obligations of Transmission Provider under this Article 5.17 of this LGIA.

5.18 Tax Status:

Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this LGIA is intended to adversely affect any Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Tax Exempt and Tax Credit Bonds (as defined in Section 13.6.1 of the LGIP).

5.19 Modification:

5.19.1 General:

Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility.

The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission

Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 Standards:

Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.

5.19.3 Modification Costs:

Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6: Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications:

Prior to the Commercial Operation Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing and measurement may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

6.2 Post-Commercial Operation Date Testing and Modifications:

Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

6.3 Right to Observe Testing:

Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

6.4 Right to Inspect:

Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

Article 7: Metering

7.1 General:

Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from

the Large Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

7.2 Check Meters:

Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

7.3 Standards:

Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.

7.4 Testing of Metering Equipment:

Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check

meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

7.5 Metering Data:

At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

Article 8: Communications

8.1 Interconnection Customer Obligations:

Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 Remote Terminal Unit:

Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication

protocol for the data circuit(s) shall be specified by Transmission Provider and Interconnection Customer shall supply data in accordance with this communication protocol, including but not limited to: (1) real-time analog data which must be telemetered directly to the location(s) specified by Transmission Provider; (2) status points; (3) accumulators; (4) control points; and (5) any other operating data requested by Transmission Provider, and as further detailed in the Business Practice.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation:

Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

8.4 Provision of Data from a Variable Energy Resource:

The Interconnection Customer whose Generating Facility is a Variable Energy Resource shall provide meteorological and forced outage data to the Transmission Provider to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The Transmission Provider and Interconnection Customer whose Generating Facility is a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. The Interconnection Customer whose Generating Facility is a Variable Energy Resource also shall submit data to the Transmission Provider regarding all forced outages to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to the Transmission Provider, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of

the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

Article 9: Operations

9.1 General:

Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 Control Area Notification:

At least three months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider in writing of the Control Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.

9.3 Transmission Provider Obligations:

Transmission Provider shall cause the Transmission System and Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations:

Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.

9.5 Start-Up and Synchronization:

Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.

9.6 Reactive Power and Primary Frequency Response: .

9.6.1 Power Factor Design Criteria:

9.6.1.1 Synchronous Generation:

Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all synchronous generators in the Control Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation:

Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all non-synchronous generators in the Control 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. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of the Final Rule establishing this requirement (Order No. 827).

9.6.2 Voltage Schedules:

Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission Provider's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator

9.6.2.1 Voltage Regulators:

Whenever the Large Generating Facility is operated in parallel with the Transmission System and the voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its voltage regulators in automatic operation. If the Large Generating Facility's voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify the Transmission Provider's system operator, or its designated representative and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System

or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

9.6.3 Payment for Reactive Power:

Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Transmission Provider requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1, provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

9.6.4 Primary Frequency Response:

Interconnection Customer shall ensure the primary frequency response capability of its Large 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 Large Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection 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 NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Large 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 an approved NERC 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 Large 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 Large 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 NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Large Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Interconnection Customer shall operate the Large 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 Large Generating Facilities.

9.6.4.1 Governor or Equivalent Controls:

Whenever the Large Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Large Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider 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 NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Large Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider 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. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to

keep outages of the Large Generating Facility's governor or equivalent controls to a minimum whenever the Large Generating Facility is operated in parallel with the Transmission System.

9.6.4.2 Timely and Sustained Response:

Interconnection Customer shall ensure that the Large 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 Large Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection 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 Large 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. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 Exemptions:

Large 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. Large 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. Interconnection:

Customer interconnecting an electric storage resource shall establish an

operating range in Appendix C of its LGIA 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 C 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 Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection 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 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 Interconnection 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. Interconnection 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.

9.7 Outages and Interruptions:

9.7.1 Outages:

9.7.1.1 Outage Authority and Coordination:

Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 Outage Schedules:

Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider shall compensate Interconnection Customer for up to 50% for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

9.7.1.3 Outage Restoration

If an outage on a Party’s Interconnection Facilities or Network Upgrades adversely affects the other Party’s operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable

Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.7.2 Interruption of Service:

If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

9.7.2.1

The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.7.2.2

Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System;

9.7.2.3

When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

9.7.2.4

Except during the existence of an Emergency Condition, when the

interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider;

9.7.2.5

The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Under-Frequency and Over Frequency Conditions:

The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

9.7.4 System Protection and Other Control Requirements:

9.7.4.1 System Protection Facilities:
Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Transmission Provider's Interconnection Facilities or the Transmission System as a result of the

interconnection of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.

9.7.4.2
Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

9.7.4.3
Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4
Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.

9.7.4.5
Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice.

9.7.4.6
Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection
In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the

removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the Large Generating Facility.

9.7.6 Power Quality

Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

9.8 Switching and Tagging Rules:

Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties:

9.9.1 Purpose of Interconnection Facilities

Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users

If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology.

9.10 Disturbance Analysis Data Exchange:

The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10: Maintenance

10.1 Transmission Provider Obligations:

Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.2 Interconnection Customer Obligations:

Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.3 Coordination:

The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

10.4 Secondary Systems:

Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses:

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities.

Article 11: Performance Obligation

11.1 Interconnection Customer Interconnection Facilities:

Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

11.2 Transmission Provider's Interconnection Facilities:

Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades:

Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible all costs related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.

11.4 Transmission Credits:

11.4.1 Repayment of Amounts Advanced for Network Upgrades:

Transmission Provider is a non-public utility. Transmission Provider and Interconnection Customer agree to waive the crediting policy and reimbursement obligations applicable to public utility transmission providers.

Notwithstanding the foregoing, if an Affected System is identified in the evaluation of the Interconnection Request or Interconnection Service, Interconnection Customer and Affected System Operator will comply with the crediting policy or reimbursement obligations of the Affected System Operator without any cost allocation to Transmission Provider.

If the Large Generating Facility fails to achieve Commercial Operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, the Affected System Operator and Interconnection Customer shall comply with the crediting and reimbursement policy of the Affected System Operator without any cost allocation to Transmission Provider.

11.4.2 Special Provisions for Affected Systems:

Interconnection Customer and Affected System Operator shall enter into an agreement that provides for compliance with the crediting policy or reimbursement obligations of the Affected System Operator without any such costs being allocated to or imposed upon Transmission Provider.

11.4.3 Reserved

11.5 Provision of Security:

At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes.

In addition:

11.5.1:

The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

11.5.2:

The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.5.3:

The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation:

If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power) or 13.5.1 of this LGIA,

Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition:

Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

Article 12: Invoice

12.1 General:

Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice:

Within six months after completion of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an invoice of the final cost of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to

Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment:

Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.

12.4 Disputes:

In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute; provided however, if Interconnection Customer opts to utilize an escrow account Interconnection Customer shall be responsible for all administrative and financial obligations associated with setting up and maintaining the independent escrow account until resolution of the dispute without any involvement of or reimbursement by Transmission Provider. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accordance with the methodology set forth in FERC regulations at 18 C.F.R. § 35.19a(a)(2)(iii).

Article 13: Emergencies

13.1 Definition:

"Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case

of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by this LGIA to possess black start capability.

13.2 Obligations:

Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

13.3 Notice:

Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.4 Immediate Action:

Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System.

13.5 Transmission Provider Authority:

13.5.1 General:

Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 Reduction and Disconnection:

Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good

Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority:

Consistent with Good Utility Practice and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.7 Limited Liability:

Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14: Regulatory Requirements and Governing Law

14.1 Regulatory Requirements:

Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law:

14.2.1:

The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by and enforced in accordance with the laws of the State of California, as if executed and to be performed wholly within the State of California.

14.2.2:

This LGIA is subject to all Applicable Laws and Regulations.

14.2.3:

Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

Article 15: Notices:

15.1 General:

Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments:

Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice:

Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice:

Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16: Force Majeure

16.1 Force Majeure:

16.1.1:

A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence (which does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to the additional requirement of a Force Majeure Written Notice set forth in Article 16.1.2.

16.1.2:

A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall provide the Force Majeure Immediate Notice pursuant to Article 16.1.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance

or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set forth above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

Article 17: Default

17.1 Default:

17.1.1 General:

No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the Breaching Party. Except as provided in Article 17.1.2, the Breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the Breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2 Right to Terminate:

If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this LGIA.

Article 18: Indemnity, Consequential Damages and Insurance

18.1 Indemnity:

The Parties shall at all times indemnify, defend, and hold harmless the other Parties, their respective officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, death, bodily injury or personal injury to any person, damage or destruction to any property (financial, physical, or intellectual) by or to third parties (collectively, "Losses") arising by reason of or incident to or directly or indirectly related to the other Party's acts, errors or omissions, performance or non-performance or Breach of any of their obligations of or under this LGIA, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

18.2 Consequential Damages:

In no event shall either Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, business interruption, 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.

18.3 Insurance – Applicable Terms and Conditions:

18.3.1 Additional Insured Status Required:

Interconnection Customer shall procure at its own expense, and keep in effect at all times during the term of this Agreement, the types and amounts of insurance specified on the attached Contract Insurance Requirements page. The insurance shall also by specific endorsement(s) attached to such policies, include, the City of Los Angeles (the "City") Transmission Provider, its Board of Commissioners (hereinafter referred to as "Board"), and all of its officers, employees and agents, their successors and assigns, as Additional Insureds (except for Worker's Compensation) against the area of risk described herein as respects Interconnection Customer's acts or omissions in its performance of the agreement, hereunder or other related functions performed by or on behalf of Interconnection Customer. Such insurance shall not limit or qualify the liabilities and obligations of the

Interconnection Customer assumed under the contract.

18.3.2 Severability of Interests and Cross Liability Required:

Each specified insurance policy (other than Workers' Compensation and Employers' Liability and Property coverage) shall contain a Severability of Interest and Cross Liability clause which states in effect, "It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability," and a Contractual Liability Endorsement which shall state in effect, "Such insurance as is afforded by this policy shall also apply to liability assumed by the insured under this Agreement with the City of Los Angeles."

18.3.3 Primary and Non-Contributory Insurance Required:

All such insurance shall be Primary and Noncontributing with any other insurance held by Transmission Provider where liability arises out of or results from the acts or omissions of Interconnection Customer, its agents, employees, officers, assigns, or any person or entity acting for or on behalf of Interconnection Customer. Any insurance carried by Transmission Provider which may be applicable shall be deemed to be excess insurance and the Interconnection Customer's insurance is primary for all purposes despite any conflicting provision in the Interconnection Customer's policies to the contrary.

18.3.4 Deductibles Subject to Transmission Provider's Discretion:

Deductibles and/or self-insured retentions shall be at the sole discretion of the Transmission Provider's Risk Manager. The Transmission Provider shall have no liability for any premiums charged for such coverage(s). The inclusion of the Transmission Provider, its Board, and all of its officers, employees and agents, and their agents and assigns, as additional insureds, is not intended to, and shall not, make them, or any of them a partner or joint venturer with Interconnection Customer in its operations.

18.3.5 Proof of Insurance for Renewal or Extension Required:

At least thirty (30) days after the expiration date of any of the policies required on the attached Contract Insurance Requirement page, documentation showing that the insurance coverage has been renewed or extended shall be filed with the Transmission Provider. If such coverage is canceled or reduced in coverage,

Interconnection Customer shall, within fifteen (15) days of such cancellation or reduction of coverage, file with Transmission Provider evidence that the required insurance has been reinstated or provided through another insurance company or companies.

18.3.6 Submission of Acceptable Proof of Insurance and Notice of Cancellation:

Interconnection Customer shall provide proof to the Transmission Provider's Risk Manager of all specified insurance and related requirements using either an Acord certificate of insurance along with any required scheduled endorsements, or using the Transmission Provider's own endorsement form(s) or using other written evidence of insurance acceptable to the Transmission Provider's Risk Manager, but always in a form acceptable to the Transmission Provider's Risk Manager. The documents evidencing all specified coverages shall be filed with the Transmission Provider prior to Interconnection Customer beginning operations hereunder. Said proof shall contain at a minimum, the applicable policy number, the inclusive dates of policy coverages, the date the specified endorsement for the Transmission Provider was attached to a specific policy, and the insurance carrier's name. It shall provide that such insurance shall not be subject to cancellation, material reduction in a required coverage or non-renewal (other than for non-payment) except after written notice by first class mail or electronic mail to the Transmission Provider's Risk Manager at least (30) calendar days prior to the effective date thereof. The notification shall be sent by first class or electronic mail to:

The Risk Management Section,
Los Angeles Department of Water and Power,
Post Office Box 51111, JFB Room 465,
Los Angeles, California 90051-0100.
Riskmanagement.Risky@ladwp.com

18.3.7 Claims-Made Insurance Conditions:

Should any portion of the required insurance be on a "Claims Made" policy, the Interconnection Customer shall, at the policy expiration date following completion of work, provide evidence that the "Claims Made" policy has been renewed or replaced with the same limits, terms and conditions of the expiring policy, or that an extended three (3) years discovery period has been purchased on the expiring policy at least for the contract under which the work was performed.

18.3.8 Failure to Maintain and Provide as Cause for Termination:

Failure to maintain and provide acceptable evidence of the required insurance for the required period of coverage shall constitute a breach of contract, upon which Transmission Provider may immediately terminate or suspend the agreement.

18.3.9 Periodic Right to Review/Update Insurance Requirements:

The Transmission Provider and Interconnection Customer agree that the insurance policy limits specified on the attached Contract Insurance Requirements page may be reviewed for adequacy annually throughout the term of this Agreement by the Transmission Provider's Risk Manager/City Attorney, who may thereafter require Interconnection Customer to adjust the amounts and types of insurance coverage however the Transmission Provider's Risk Manager/City Attorney deems to be adequate and necessary. Transmission Provider reserves the right to have submitted to it, upon request, all pertinent information about the agent and carrier providing such insurance, including applicable license and ratings.

18.3.10 Specific Insurance Requirements:

See Attachment "Contract Insurance Requirements."

18.3.11 Sub-Contractor Compliance:

Interconnection Customer shall be responsible for all sub-contractors'. Interconnection Customer shall require all subcontractors performing any work to maintain insurance limits in accordance with Interconnection Customer's standard agreements with such subcontractors.

18.3.12 Limitation of Liability and Release:

TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

18.3.13 Reporting:

The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

Article 19: Assignment

19.1 Assignment:

This LGIA may be assigned by either Party only with the written consent of the other; provided that, either Party may assign this LGIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that Interconnection Customer shall have the right to assign this LGIA, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s), including providing the Transmission Provider with proof that it meets the requirements of Articles 11.5 and 18.3.

Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed. The General Manager of DWP, and/or his/her designee, is authorized to grant the consents contemplated by this Article 19.1 on behalf of LADWP.

Article 20: Severability

20.1 Severability:

If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21: Comparability

21.1 Comparability:

The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

Article 22: Confidentiality

22.1 Confidentiality:

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

22.1.1 Term:

During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope:

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 Release of Confidential Information:

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the

confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.1.4 Rights:

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5 No Warranties:

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 Standard of Care:

Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this LGIA or its regulatory requirements.

22.1.7 Order of Disclosure:

If a court or a Governmental Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts

to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 Termination of Agreement:

Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9 Remedies:

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 Disclosure to FERC, its Staff, or a State:

Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential

Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

22.1.11:

Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

22.1.12 CPRA, Brown Act:

In addition to the foregoing provisions under this Article 22, Interconnection Customer acknowledges that Transmission Provider is subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§6250 et seq. ("CPRA") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 et. seq. ("Brown Act"). Requests for information made directly to Transmission Provider pursuant to CPRA will be managed in a similar manner identified within Article 22.1.11. For purposes of the Brown Act, the Parties shall adhere to the provisions of Article 22.1 to maintain confidentiality.

Article 23: Environmental Releases

23.1:

Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24: Information Requirements

24.1 Information Acquisition :

Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Transmission Provider:

The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer:

The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the

Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Cluster Study and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on Transmission Provider's Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation:

Prior to the Commercial Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to Transmission Provider for each individual generating unit in a station.

Subsequent to the Commercial Operation Date, Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Article 25: Information Access and Audit Rights

25.1 Information Access:

Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.

25.2 Reporting of Non-Force Majeure Events:

Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.

25.3 Audit Rights:

Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider's efforts to allocate

responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods:

25.4.1 Audit Rights Period for Construction-Related Accounts and Records:

Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following Transmission Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records:

Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results:

If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

Article 26: Subcontractors

26.1 General:

Nothing in this LGIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and

conditions of this LGIA in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

26.2 Responsibility of Principal:

The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance:

The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27: Disputes

27.1 Submission:

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the LGIA, the LGIP, 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 Notice of Dispute shall not be deemed a waiver of the requirements of, nor construed as compliance with, California Government Code Section 910 et seq., or any successor statute.

Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA; provide that, any dispute arising out of or relating to this LGIA shall be brought in a state or federal

court in the County of Los Angeles in the State of California. Each Party irrevocably agrees to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens*.

27.2 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"); provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

27.3 Arbitration Decisions:

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the LGIA and LGIP and shall have no power to modify or change any provision of the LGIA and LGIP 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.

27.4 Costs:

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

Article 28: Representations, Warranties, and Covenants

28.1 General: Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing:

Such Party is duly organized, validly existing and, in the case of the Interconnection Customer, in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has legal power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

28.1.2 Authority:

Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law), and, in the case of the Transmission Provider, the limitations on legal remedies against municipal corporations in the State of California.

28.1.3 No Conflict

The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 Consent and Approval

Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any

Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required byApplicable Laws and Regulations.

Article 29: Joint Operating Committee

29.1 Joint Operating Committee:

Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

29.1.1:

Establish data requirements and operating record requirements.

29.1.2:

Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

29.1.3:

Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.

29.1.4:

Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.

29.1.5:

Ensure that information is being provided by each Party regarding equipment availability.

29.1.6:

Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 30: Miscellaneous

30.1 Binding Effect:

This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts:

In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation:

This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document,

instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

30.4 Entire Agreement:

This LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this LGIA.

30.5 No Third-Party Beneficiaries:

This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

30.6 Waiver:

The failure of a Party to this LGIA to insist, on any occasion, upon strict performance of any provision of this LGIA will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by either Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider. Any waiver of this LGIA shall, if requested, be provided in writing.

30.7 Headings:

The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

30.8 Multiple Counterparts:

This LGIA may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

30.9 Amendment:

The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.

30.10 Modification by the Parties:

The Parties may by mutual agreement amend the Appendices to this LGIA by an instrument duly executed by the Parties. Such written amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reserved:

30.12 No Partnership:

This LGIA shall not be interpreted or construed to create an association, joint

venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

IN WITNESS WHEREOF, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

**DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS**

By:_____
General Manager

Date: _____

And: _____
Board Secretary

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

APPENDIX A TO LGIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades:

1: Interconnection Facilities

(a): [insert Interconnection Customer's Interconnection Facilities]

(b): [insert Transmission Provider's Interconnection Facilities]

2: Network Upgrades

(a): [insert Stand Alone Network Upgrades]:

(b): [insert Other Network Upgrades]:

3: Distribution Upgrades:

APPENDIX B TO LGIA

Milestones

APPENDIX C TO LGIA

Interconnection Details:

1: Interconnection Details

(a): [insert Interconnection Details]

2: Control Technologies and Protection Systems

(a): [insert control technologies and protection systems]

3: Actions and Obligations When Output Is Exceeding the Interconnection Service Level

If the Generating Facility is exceeding its contracted Level of Interconnection Service, Transmission Provider will contact the Generator Operator and/or Generating Facility's Balancing Authority and issue an Operating Instruction to return the output to the contracted Level of Interconnection Service. If the Generator Operator and/or Generating Facility's Balancing Authority has not begun to reduce the Generating Facility's output to the contracted Level of Interconnection Service within the time period specified in the Operating Instruction, Transmission Provider can take action up to and including disconnection of the Generating Facility from the Transmission System at the Point of Interconnection.

APPENDIX D TO LGIA

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect that all Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

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APPENDIX E TO LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

[Date]

[Transmission Provider Address]

Re: _____ Large Generating Facility

Dear _____:

On **[Date] [Interconnection Customer]** has completed Trial Operation of Unit No. ___. This letter confirms that [Interconnection Customer] commenced Commercial Operation of Unit No. ___ at the Large Generating Facility, effective as of **[Date plus one day]**.

Thank you.

[Signature]

[Interconnection Customer Representative]

APPENDIX F TO LGIA
Addresses for Delivery of Notices and Billings

Notices:

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Billings and Payments:

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

APPENDIX G:
INTERCONNECTION REQUIREMENTS FOR A NON-SYNCHRONOUS GENERATING PLANT

Appendix G sets forth requirements and provisions specific to a Non-Synchronous generating plant. All other requirements of this LGIA continue to apply to Non-Synchronous generating plant interconnections

A: Technical Standards Applicable to a Wind Generating Plant

Low Voltage Ride-Through (LVRT) Capability:

A Non-Synchronous 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.

Post-transition Period LVRT Standard

All Non-Synchronous generating plants subject to FERC Order No. 661 and covered by the transition period described above must meet the following requirements:

1. Non-Synchronous 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 Non-Synchronous generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the Non-Synchronous 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 Non-Synchronous generating plant may disconnect from the transmission system. A Non-Synchronous 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 Non-Synchronous "GSU".

2. This requirement does not apply to faults that would occur between the Non-Synchronous generator terminals and the high side of the GSU.

3. Non-Synchronous generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Non-Synchronous 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 Non-Synchronous generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

i. Power Factor Design Criteria (Reactive Power):

The following reactive power requirements apply only to a newly interconnecting wind generating plant that has executed a Facilities Study Agreement as of the effective date the Final Rule establishing the reactive power requirements for non-synchronous generators in section 9.6.1 of this LGIA (Order No. 827). A Non-Synchronous generating plant to which this provision applies shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, if the Transmission Provider's Cluster Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the Non-Synchronous plant is in operation. Non-Synchronous 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.

ii. Supervisory Control and Data Acquisition (SCADA) Capability:

The Non-Synchronous plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the Non-Synchronous plant Interconnection Customer shall determine what SCADA information is essential for the proposed Non-Synchronous 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.

APPENDIX 7 TO LGIP

INTERCONNECTION PROCEDURES FOR A

NON-SYNCHRONOUS GENERATING FACILITY

This appendix sets forth procedures specific to all Non-Synchronous generating facilities. All other requirements of this LGIP continue to apply to interconnections of Non-Synchronous facilities

A. Special Procedures Applicable to Non-Synchronous Generation Facilities

The Interconnection Customer, in completing the Interconnection Request required by section 3.3 of this LGIP, may provide to the Transmission Provider a set of preliminary electrical design specifications depicting the Non-Synchronous generating facility in terms of its megawatt output (MW or real power). Upon satisfying these and other applicable Interconnection Request conditions, the Non-Synchronous generating facility 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 Interconnection Customer must submit the following: (i) completed detailed electrical design specifications; (ii) a WECC approved standard study model (standard model) if available. If the standard model for a given technology is not yet available, then the Interconnection Customer can provide vendor-specific, user-written or an equivalent model with a source code algorithm in General Electric's Engineer Programming Control Language (EPCL) that can be compiled at run time by Power System Load Flow (PSLF) platform's internal compiler; however, once a standard model becomes available, the Interconnection Customer should begin furnishing such standard model; and (iii) other data (including collector system layout data) needed to allow the Transmission Provider to complete the Cluster Study. If Non-Synchronous facility uses momentary cessation, considerations should be made to eliminate momentary cessation. If eliminating momentary cessation is not a feasible solution the model submitted must reasonably represent the momentary cessation according to WECC and NERC guidelines. Interconnection customer shall provide a model that reasonably represent the facility according to WECC guidelines 90 days prior to in service date and an "as-built" model for Non-Synchronous facility prior to Commercial Operation Date.

Attachment A to Appendix 7
Interconnection Data for
Non-Synchronous Generating Plants

Solar Photovoltaic (PV) Specifications

Technologies: ___Thin Film PV ___Monocrystalline PV ___Polycrystalline PV ___Other (Specify below)

_____

Manufacturer, Model Name, and Number_____
Total Number of PV Panels _____
Rated Maximum Power Output (kW) _____Summer _____Winter
Nominal Voltage (DC) _____V

Wind Specifications

Technologies: ___Type I ___Type II ___Type III ___Type IV
Other (Specify below)

_____

Manufacturer, Model Name, and Number_____
Total Number of turbines _____
Rated Maximum Power Output (kW) _____Summer _____Winter
Nominal Voltage (DC) _____V

Energy Storage Specifications

Technologies: _____
Duration _____hrs
If Project is PV and Storage: DC Coupled___ AC Coupled_____
Rated Maximum Power Output (kW) _____Summer _____Winter
Nominal Voltage (DC) _____V

OATT Effective [Insert]

Inverter Specifications

Manufacturer, Model Name, and Number_____
Version Number_____
Total Number of Inverters _____
Voltage (DC) Input Range _____V
Maximum Voc (DC) _____V
Number of Phases _____
AC Voltage Range _____V
Maximum Output Current per Phase _____A
Maximum Continuous Output Power _____kW
Nominal Output Frequency _____Hz
Power Factor _____
Total Harmonic Distortion (THD) _____%
Momentary Cessation used _____
High Voltage Momentary Cessation threshold _____pu
Low Voltage Momentary Cessation threshold _____pu
Time delay before inverter begins injecting current after momentary cessation, once the voltage has returned to within the momentary cessation voltage threshold
_____(milliseconds)
Ramp rate when recovering from momentary cessation _____(%nameplate rating/sec)

High-Voltage Ride-Through (HVRT)		Low-Voltage Ride-Through (LVRT)	
Voltage (pu)	Time Delay (sec)	Voltage (pu)	Time Delay (sec)

High-Frequency Ride-Through (HFRT)		Low-Frequency Ride-Through (LFRT)	
Frequency (Hz)	Time Delay (sec)	Frequency (Hz)	Time Delay (sec)

Isolation Transformer Specifications

Low Side and High Side Voltages _____/_____kV
MVA Base _____MVA Continuous Rating _____MVA
Emergency Rating _____MVA Reactance _____% or _____ p.u
Transformer Connection _____ Number of Transformers _____

Equipment Certifications

List the above components of the Solar Facility that are currently certified:

Equipment Type Certifying Entity
1._____ _____
2._____ _____
3._____ _____

Certification and Standards

1. IEEE Std 519-2014, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems.
2. UL 1703 Standard for Safety, Flat-Plate Photovoltaic Modules and Panels
3. UL 1741 Standard for Inverters, Converters, and Controllers for Use in Independent Power Systems
4. IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV) Systems.

ATTACHMENT M-1

Process for Transitioning to "First-Ready, First-Served" Interconnection Queue Procedures

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1. SCOPE AND APPLICATION OF ATTACHMENT M-1

Section 1.1: Scope of Transition Process

All Small Generating Facility Interconnection Requests and Large Generating Facility Interconnection Requests received and pending by the end of the first full calendar quarter following the Effective Date of this Attachment M-1 (the "Transition Close Date") will be processed under this Attachment M-1. This Attachment M-1 sets forth the procedures by which Transmission Provider will process, including in a cluster study ("Transition Cluster Study") or cluster re-study ("Transition Cluster Re-Study"), any Interconnection Request from a Small Generating Facility Interconnection Request subject to study under Attachment N of Transmission Provider's OATT or Large Generating Facility Interconnection Request received by the Transition Close Date (collectively, "Transition Requests"). Small Generating Facility Interconnection Requests or Large Generating Facility Interconnection Requests received between the Transition Close Date and the effective date of this Attachment M-1 ("Effective Date") shall be deemed submitted within the first Cluster Request Window following completion of the Transition Cluster Study process in this Attachment M-1, and shall be processed pursuant to Attachment M or Attachment N, as applicable. Small Generating Facility and Large Generating Facility Interconnection Requests received after the Effective Date shall be processed pursuant to Attachment M or Attachment N, as applicable.

Section 1.2: Transition Cluster Study Eligibility

All Transition Requests shall be subject to the provisions of this Attachment M-1.

Section 1.2.1: Late-Stage Transition Requests

An Interconnection Customer with a Transition Request that, as of thirty (30) Business Days after the Transition Close Date, is at or beyond the point in the interconnection process when it has been tendered a Facilities Study Agreement but has not executed an LGIA or, as applicable, SGIA, ("Late-Stage Transition Request") shall not be required to enter the Transition Cluster process conducted pursuant to Sections 2 - 4 of this Attachment M-1. Late-Stage Transition Requests may either: (a) continue through the remaining Facilities Study and interconnection agreement execution phases of this Attachment M-1; or (b) opt into the Transition Cluster process performed under Sections 2 - 4 of this Attachment M-1 by notifying Transmission Provider in writing no later than sixty (60) Business Days after the Transition Close Date and meeting the requirements in Section 2. Late-Stage Transition Requests electing to opt into the Transition Cluster process shall forfeit and/or terminate as appropriate any previous interconnection study results or interconnection study agreements, or previously tendered but unexecuted LGIA or

SGIA. For Late-Stage Transition Requests that elect to continue through the remaining Facilities Study and interconnection agreement execution phases of this Attachment M-1, i.e., elect not to join the Transition Cluster, the Interconnection Customer must provide: (a) a demonstration of Site Control pursuant to Section 2.1.2 of this Attachment M-1; and, in the case of a Large Generator Interconnection Request only, (b) a demonstration of a Readiness Milestone option in Sections 2.1.1(b) or 2.1.1(c) of this Attachment M-1. Each demonstration required by the previous sentence for a Late-Stage Transition Request must be made before Transmission Provider will tender an LGIA or SGIA for execution, but made upon the later of ninety (90) Business Days after the Transition Close Date. Any Late-Stage Transition Requests that fail to meet the requirements of this Section 1.2.1 shall be deemed withdrawn.

Section 1.3: Relationship to LGIP and SGIP

Except as otherwise provided in, or modified by, this Attachment M-1, Attachment M and, in the case of Small Generating Facilities, Attachment N, shall apply to Transition Requests.

Section 1.4: Defined Terms

Unless otherwise indicated in this Attachment M-1, capitalized terms used in this Attachment M-1 shall have the definitions set forth in Attachment M, Section 1 and, in the case of Small Generating Facilities, the definitions set forth in Attachment N.

2. PROCESSING OF TRANSITION REQUESTS

Section 2.1: Transition Cluster Study Eligibility: Readiness Milestones, Site Control, and Additional Study Deposit

To be eligible for inclusion in a Transition Cluster Study, a Transition Request must satisfy the requirements of this Section 2.1 (except Section 2.1.1) by no later than sixty (60) Business Days after the Transition Close Date, subject to the Interconnection Customer's opportunity to correct identified deficiencies pursuant to Section 2.2 ("the Transition Readiness Deadline").

Notwithstanding Attachment M, Section 3.4, Interconnection Customer shall promptly inform Transmission Provider of any material change to Interconnection Customer's demonstration, or continuing demonstration, of Site Control under Section 2.1.2 or satisfaction of a Readiness Milestone Option under Section 2.1.1 that has already been previously demonstrated. Upon Transmission Provider determining separately that

Interconnection Customer fails to continue demonstrating Site Control once initially demonstrated, or fails to meet a previously demonstrated Readiness Milestone Option under Section 2.1.1, Transmission Provider shall give Interconnection Customer ten (10) Business Days to demonstrate satisfaction with the applicable requirement to Transmission Provider's satisfaction. Absent such demonstration, Transmission Provider will deem the subject Interconnection Request withdrawn.

Section 2.1.1: Readiness Criteria Applicable to Transition Requests for Large Generating Facilities

By no later than the Transition Readiness Deadline, Interconnection Customer with a Large Generating Facility Transition Request eligible for inclusion in a Transition Cluster Study must submit to the Transmission Provider sufficient evidence of one of the following Readiness Milestone Options totaling the entire capacity of the Generating Facility (or requested Interconnection Service amount if the requested Interconnection Service is less than the Generating Facility Capacity in the case of Large Generating Facility Transition Requests only) that is the subject of the Transition Request:

(a) Executed term sheet (or comparable evidence) related to a contract for sale of (i) the constructed Generating Facility to a load-serving entity or to a commercial, industrial, or other large end-use customer, (ii) the Generating Facility's energy where the term of sale is not less than five (5) years, or (iii) the Generating Facility's ancillary services if the Generating Facility is an electric storage resource where the term of sale is not less than five (5) years;

(b) Executed contract binding upon the parties for sale of (i) the constructed Generating Facility to a load-serving entity or to a commercial, industrial, or other large end-use customer, (ii) the Generating Facility's energy where the term of sale is not less than five (5) years, or (iii) the Generating Facility's ancillary services if the Generating Facility is an electric storage resource where the term of sale is not less than five (5) years; or

(c) Reasonable evidence that the Generating Facility has been selected in a Resource Plan or Resource Solicitation Process by or for a load-serving entity, or is being developed for purposes of a sale to a commercial, industrial, or other large end-use customer.

For the avoidance of doubt, the additional readiness criteria under Attachment M, Section 3.4.1(v) do not apply to Transition Requests under this Attachment M-1.

Section 2.1.2: Site Control

Interconnection Customers with Transition Requests for Small Generating Facilities shall demonstrate Site Control pursuant to Attachment N.

Interconnection Customers with Transition Requests for Large Generating Facilities shall either:

(a) post a deposit of $10,000, or

(b) demonstrate Site Control as defined in Attachment M. Specifications for acceptable site size for the purposes of demonstrating Site Control are posted on Transmission Provider's OASIS website. Interconnection Customer may propose alternative specifications for site size to those posted on OASIS for Transmission Provider approval. In the event Transmission Provider and Interconnection Customer cannot reach agreement related to adequacy of site size, Transmission Provider will accept a Professional Engineer (licensed in the state of the Point of Interconnection) stamped site plan drawing that depicts the proposed generation arrangement and specifies the maximum facility output for that arrangement. Deposits posted in accordance with this Section 2.1.2 shall be applied toward any Interconnection Studies for the Transition Request.

Section 2.1.3: No Additional Cluster Study Deposits

Other than deposits provided in accordance with Section 2.1.2 of this Attachment M-1, Transmission Provider shall not assess any additional study deposits for Transition Requests entering the Transition Cluster Studies. Consistent with Section 3.2, Interconnection Customer with a Transition Request shall be responsible for its allocable share of actual Transition Cluster Study costs, and restudy costs if applicable.

Section 2.1.4: Definitive Point(s) of Interconnection Designation

If not designated already, Interconnection Customer with a Transition Request must designate a definitive Point of Interconnection to be studied in the Transition Cluster study.

Section 2.1.5: Interconnection Service Type Designation

If not designated already, Interconnection Customer with a Transition Request must designate either Energy Resource Interconnection Service or Network Resource

Interconnection Service to be studied in the Transition Cluster Study. 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 of five (5) Business Days after the initial Cluster Study Report Meeting held under this Attachment M-1, Section 3.6. Interconnection Customer may then elect to proceed with Network Resource Interconnection Service or to proceed under a lower level of interconnection service to the extent that only certain upgrades will be completed.

Section 2.1.6: Completed and Updated Interconnection Request Form

Interconnection Customer with a Transition Request must provide the applicable Interconnection Request form, such as Appendix 1 to the LGIP, with all information updated as of the submittal.

Section 2.2: Deficiencies Curable by Transition Readiness Deadline

If an Interconnection Request fails to meet the requirements set forth in Sections 2.1.2, 2.1.4, 2.1.5 or 2.1.6 by no later than sixty (60) Business Days after the Transition Close Date, Transmission Provider shall notify the Interconnection Customer within fifteen (15) Business Days of such failure. Interconnection Customer shall provide Transmission Provider the additional requested information needed to satisfy the requirements of Section 2.1 by no later than the Transition Readiness Deadline. Transition Requests that do not meet the requirements in Section 2.1 of this Attachment M-1 by the Transition Readiness Deadline shall be deemed withdrawn.

3. TRANSITION REQUEST CLUSTER STUDIES

Section 3.1: Transition Cluster Preparation

Within five (5) Business Days following the Transition Readiness Deadline, Transmission Provider shall post on its OASIS site a list of all Transition Requests to be included in the Transition Cluster Study.

Within ten (10) Business Days of the Transition Readiness Deadline, Transmission Provider shall hold a scoping meeting, consistent with the process described in Attachment M, Section 3.3.4, with all Transition Requests to be studied in the Transition Cluster.

All Transition Requests that meet the requirements of Section 2.1 of this Attachment M-1 by the Transition Readiness Deadline and that have executed a Cluster Study Agreement in the form of Appendix 3 to the Transmission Provider's LGIP shall be included in that

Transition Cluster Study. Any Transition Requests that do not meet the requirements of Section 2 to be eligible to enter the Transition Cluster Study or that are undergoing Dispute Resolution as of the Transition Readiness Deadline shall not be included in the Transition Cluster.

Section 3.2: Transition Request Cluster Study Agreement

Unless otherwise agreed, by no later than five (5) Business Days following the Transition Readiness Deadline, Transmission Provider shall provide to Interconnection Customer a Cluster Study Agreement in the form of Appendix 3 to Transmission Provider's LGIP. Pursuant to the Cluster Study Agreement, the Interconnection Customer shall compensate Transmission Provider for the actual costs of the Transition Cluster Study in accordance with the Study Cost Allocation methodology in Attachment M, Section 4.2.2, net of any remaining study deposits already provided by the applicable Interconnection Customer prior to the Effective Date. Along with the Cluster Study Agreement, Transmission Provider shall provide to Interconnection Customer a non-binding updated good faith estimate of the cost for completing the Transition Cluster Study.

Section 3.3: Execution of Transition Cluster Study Agreement

Interconnection Customer shall execute and return the Cluster Study Agreement to Transmission Provider no later than fifteen (15) Business Days after the Transition Readiness Deadline. If the Interconnection Customer elects not to execute the Transition Cluster Study Agreement, its Interconnection Request shall be deemed withdrawn.

Section 3.4: Conducting the Transition Cluster Studies

Transmission Provider may conduct separate Transition Cluster Studies for different electrically relevant areas as set forth in this Section 3.4 and its subsections. After all Interconnection Customers in the Transition Cluster that have met the requirements of Section 2.1 of this Attachment M-1 have executed Cluster Study Agreements or the time period for such execution under Section 3.3 has lapsed, the Transmission Provider will commence the Transition Cluster Studies and perform such Transition Cluster Studies pursuant to the procedures in Attachment M, Sections 7.4 and 7.5.

Section 3.4.1: Use of Cluster Areas

Transmission Provider may segment and perform the Transition Cluster Studies according to geographically and electrically relevant areas on the Transmission Provider's Transmission System ("Cluster Area") in the manner described in Attachment M, Section 7.4.

Section 3.4.2: Scope of Transition Request Cluster Study

The Transition Cluster Study shall have the same scope as the scope of the Cluster System Impact Study, as set forth in Attachment M, Section 7.3.

Transmission Provider shall use Reasonable Efforts to complete the Transition Cluster Study no later than one hundred-fifty (150) Calendar Days after the Transition Readiness Deadline.

Section 3.5: Allocation of Transmission Provider's Interconnection Facilities and Network Upgrade Costs Within Transition Cluster Studies

Except as may be modified in Section 3.7 in this Attachment M-1, for Transmission Provider's Interconnection Facilities and Network Upgrades identified in Transition Cluster Study, Transmission Provider shall calculate the share of costs for each Interconnection Customer within the Transition Cluster in accordance with the allocation methodology in Attachment M, Section 4.2.3.

Section 3.6: Transition Request Cluster Study Report and Meeting with Transmission Provider

Transmission Provider will publish a report following the completion of the Transition Cluster Study ("Transition Cluster Study Report"). Within ten (10) Business Days of furnishing Transition Cluster Study Report or, if a Transition Re-Study was required pursuant to the procedures in Attachment M, Section 7.5(c) a re-study report ("Cluster Re-Study Report"), to Interconnection Customers and posting such report on OASIS, Transmission Provider shall convene an open meeting to discuss the study results ("Cluster Study Report Meeting" or "Cluster Re-Study Report Meeting"). Transmission Provider shall, upon request, also make itself available to meet with individual Interconnection Customers after the report is provided.

4. RE-STUDIES

If Re-Study of the Transition Cluster Study is required due to a project from Transition Cluster dropping out, or a modification of a higher queued project subject to Attachment M, Section 7.5, Transmission Provider shall notify Interconnection Customer(s) in writing. The Transmission Provider shall make Reasonable Efforts to ensure such Re-Study takes no longer than one hundred fifty (150) Calendar Days from the date of notice. Any cost of Re-Study shall be borne by Interconnection Customer(s) being re-studied in accordance with Section 3 of this Attachment M-1.

5. INTERCONNECTION FACILITIES STUDIES FOR TRANSITION REQUESTS

Section 5.1: Increased Readiness Showing

Except for Late-Stage Transition Requests electing not to enter a Transition Cluster, which are subject to separate readiness requirements under Section 1.2.1 of this Attachment M-1, before a Transition Request can proceed to the Facilities Study phase, the applicable Interconnection Customer must make an enhanced readiness showing as set forth in Section 5.2 of this Attachment M-1.

Section 5.2: Facilities Studies

Transmission Provider will conduct a separate Facilities Study for each Transition Request. Simultaneously with the issuance of the Transition Cluster Study Report, or Transition Cluster Re-Study Report if any, Transmission Provider shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 4 to the LGIP, or Attachment N, as applicable. The Interconnection Facilities Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection Facilities Study. Within ten (10) Business Days following the Cluster Study Report Meeting or, as applicable Cluster Re-Study Report meeting, 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:

a) Any required technical data;

b) A demonstration of Site Control pursuant to Section 2.1.2(b) of this Attachment M-1 (for Large Generating Facility Transition Requests only); and

c) Demonstration of a Readiness Milestone option in Section 2.1.1(b) or (c) of this Attachment M-1 (for Large Generating Facility Transition Requests only).

Interconnection Customers that fail to timely return an executed Interconnection Facilities Study Agreement or fail to satisfy the requirements of this Section 5.2 and its subparts will be deemed withdrawn. Withdrawal of Interconnection Requests at this stage may trigger a Cluster Re-Study.

Section 5.3: Other Facility Study Procedures

Except as otherwise provided in this Section 5, Interconnection Customer and Transmission Provider shall follow the procedures governing Facility Studies in Attachment M for Large Generating Facilities, or, in the case of Small Generating Facilities, Attachment N.

6. LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA) AND SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA)

Interconnection Customer and Transmission Provider shall follow the procedures governing Large Generator Interconnection Agreements in Attachment M or, in the case of Small Generating Facilities, Attachment N.

7. WITHDRAWAL

Interconnection Customer may withdraw its Transition 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 Attachment M-1 or the LGIP (as applicable), except as provided in Attachment M, Section 13.5 (Disputes), Transmission Provider shall deem the Transition 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.

An Interconnection Customer that withdraws or is deemed to have withdrawn its Transition Request shall pay to Transmission Provider all costs that Transmission Provider prudently incurs with respect to that Transition 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. The additional Withdrawal Penalties under Attachment M will not apply to withdrawn Transition Requests.

ATTACHMENT N

Small Generator Interconnection Procedures

LOS ANGELES DEPARTMENT OF WATER AND POWER

Small Generator Interconnection Procedures (SGIP)

(For Generating Facilities No Larger Than 20 MW)

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Small Generator Interconnection Procedures (SGIP)

(For Generating Facilities No Larger Than 20 MW)

SECTION 1: APPLICATION FOR SMALL GENERATING FACILITY INTERCONNECTIONS

1.1: Applicability

1.1.1: A request to interconnect a Small Generating Facility no larger than 20 megawatts (MW) shall be evaluated under the section 3 Study Process. If the Interconnection Customer wishes to interconnect its Small Generating Facility using Network Resource Interconnection Service, it must do so under the Standard Large Generator Interconnection Procedures and execute the Standard Large Generator Interconnection Agreement. Small Generating Facilities that are subject to the study process in Section 3 shall be required to participate in Transmission Provider's Cluster process pursuant to Section 7 of Attachment M, except as otherwise provided in Section 3. This process does not cover interconnections to any facilities on the Transmission Provider's system that are rated 100 kV and below.

1.1.2: Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of these procedures.

1.1.3: Except as otherwise provided in Attachment M-1 of the Transmission Provider's Tariff, neither these procedures nor the requirements included hereunder apply to Small Generating Facilities interconnected or approved for interconnection prior to 60 Business Days after the effective date of these procedures.

1.1.4: Prior to submitting its Interconnection Request (Attachment 2), the Interconnection Customer may ask the Transmission Provider's interconnection contact employee or office whether the proposed interconnection is subject to these procedures. The Transmission Provider shall respond within 15 Business Days.

1.1.5: 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 authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.

1.1.6: References in these procedures to interconnection agreement are to the Small Generator Interconnection Agreement (SGIA).

1.2: Pre-Application

1.2.1: The 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 the 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 the Transmission Provider's Internet web site. Electric system information provided to the Interconnection Customer should include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on the Transmission Provider's Transmission System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. The 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 $300 for a pre-application report on a proposed project at a specific site. The Transmission Provider shall provide the pre-application data described in section 1.2.3 to the Interconnection Customer within 20 Business Days of receipt of the completed request form and payment of the $300 fee. The pre-application report produced by the Transmission Provider is non- binding, does not confer any rights, and the Interconnection Customer must still successfully apply to interconnect to the Transmission Provider’s system. The written pre-application report request form shall include the information in sections 1.2.2.1 through 1.2.2.8 below to clearly and sufficiently identify the location of the proposed Point of Interconnection.

1.2.2.1: Project contact information, including name, address, phone number, and email address.

1.2.2.2: Project location (street address with nearby cross streets and town)

1.2.2.3: Meter number, pole number, or other equivalent information identifying proposed Point of Interconnection, if available.

1.2.2.4: Generator Type (e.g., solar, wind, combined heat and power, etc.)

1.2.2.5: Size (alternating current kW)

1.2.2.6: Single or three phase generator configuration

1.2.2.7: Stand-alone generator (no onsite load, not including station service – Yes or No?)

1.2.2.8: 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.

1.2.3: Using the information provided in the pre-application report request form in section 1.2.2, the Transmission Provider will identify the substation/area bus, bank or circuit likely to serve the proposed Point of Interconnection. This selection by the 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. The 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:

1.2.3.1: 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.

1.2.3.2: 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.

1.2.3.3: 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.

1.2.3.4: 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).

1.2.3.5: Substation nominal distribution voltage and/or transmission nominal voltage if applicable.

1.2.3.6: Nominal distribution circuit voltage and/or transmission circuit voltage at the proposed Point of Interconnection.

1.2.3.7: Approximate circuit distance between the proposed Point of Interconnection and the substation.

1.2.3.8: Relevant line section(s) actual or estimated peak load and minimum load data.

1.2.3.9: 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.

1.2.3.10: Number of phases available at the proposed Point of Interconnection. If a single phase, distance from the three-phase circuit.

1.2.3.11: Limiting conductor ratings from the proposed Point of Interconnection to the substation.

1.2.3.12: Whether the Point of Interconnection is located on a spot network, grid network, or radial supply.

1.2.3.13: 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.

1.2.4: The pre-application report need only include existing data. A pre- application report request does not obligate the Transmission Provider to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the Transmission Provider cannot complete all or some of a pre-application report due to lack of available data, the Transmission Provider shall provide the 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, the 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

The Interconnection Customer shall submit its Interconnection Request to the Transmission Provider, together with the processing fee or deposit specified in the Interconnection Request. The Interconnection Request shall be date- and time-stamped upon receipt. The original date- and time- stamp applied to the Interconnection Request at the time of its original submission shall be accepted as the qualifying date- and time-stamp for the purposes of any timetable in these procedures. The Interconnection Customer shall be notified of receipt by the Transmission Provider within three Business Days of receiving the Interconnection Request. The Transmission Provider shall notify the Interconnection

Customer within ten 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, the 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, including if Transmission Provider identifies issues with technical data provided by an Interconnection Customer subject to study pursuant to Section 3. The 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, provided that Interconnection Customers subject to study under Section 3 shall provide such additional listed information by no later than the close of the Cluster Request Window. If the 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 the Transmission Provider.

1.4: Modification of the Interconnection Request

Any modification to machine data or equipment configuration or to the interconnection site of the Small Generating Facility not agreed to in writing by the Transmission Provider and the 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.

1.5: Site Control

Documentation of site control must be submitted with the Interconnection Request. Site control may be demonstrated through:

1.5.1: Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generating Facility;

1.5.2: An option to purchase or acquire a leasehold site for such purpose; or

1.5.3: An exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy a site for such purpose.

1.6: Queue Position

The Transmission Provider shall assign a Queue Position based upon the date- and time-stamp of the Interconnection Request. Except as otherwise noted in Section 3, the Queue Position of each Interconnection Request will be used to determine the cost responsibility

for the Upgrades necessary to accommodate the interconnection. The Transmission Provider shall maintain a single queue per geographic region. Except as otherwise noted in Section 3, at the Transmission Provider's option, Interconnection Requests may be studied serially or in clusters pursuant to Section 7 of Attachment M.

1.7: Interconnection Requests Submitted Prior to the Effective Date of the SGIP

Nothing in this SGIP affects an Interconnection Customer's Queue Position assigned before the effective date of this SGIP. The Parties agree to complete work on any interconnection study agreement executed prior the effective date of this SGIP in accordance with the terms and conditions of that interconnection study agreement. Notwithstanding the proceeding two sentences, Interconnection Customer with a Transition Request, as defined in Attachment M-1 of Transmission Provider's OATT and subject to the eligibility requirements reflected therein, shall be included in the Transition Cluster Study if the Small Generating Facility (1) is larger than 2 MW but no larger than 20 MW or (2) is not certified.

SECTION 2: RESERVED

SECTION 3: STUDY PROCESS

3.1: Applicability

The Study Process shall be used by an Interconnection Customer proposing to interconnect its Small Generating Facility with the Transmission Provider's Transmission System if the Small Generating Facility (1) is larger than 2 MW but no larger than 20 MW or (2) is not certified. Such projects shall be studied by Transmission Provider in accordance with the Cluster Study process discussed in Section 6 of Transmission Provider's Attachment M, as further modified below for purposes of Small Generating Facilities.

3.2: Informational Studies for Small Generating Facilities

Small Generating Facilities Eligible for study under this Section 3 may submit a reasonable number of requests for Informational Interconnection Studies, provided that such requests shall be submitted pursuant to the procedures in Section 6 of Transmission Provider's Attachment M. Transmission Provider shall process such requests pursuant to Section 6 of Attachment M.

3.3: Scoping Meeting

3.3.1: A scoping meeting will be held in accordance with the procedures set forth in Section 3.3.4 and Section 7 of Attachment M.

3.3.2: Transmission Provider shall provide the Interconnection Customer a Cluster Study Agreement in the form of Appendix 3 to Attachment M, consistent with the procedures set forth in Section 7.1 of Attachment M.

3.4: Cluster Study

3.4.1: Except as otherwise noted in this Section 3, Transmission Provider shall study the Interconnection Request pursuant to Cluster Study procedures in Section 7 of Attachment M, including any Cluster Re-Studies as may be required under those procedures.

3.4.2: Interconnection Customer shall be required to pay its share of Cluster Study costs and Transmission Provider's Interconnection Facilities and Network Upgrade Costs as allocated by the Transmission Provider pursuant to Sections 4.2.2 and 4.2.3 of Attachment M, respectively. Any invoices issued for such Cluster Study costs shall credit to Interconnection Customer any deposits or application fees paid pursuant to Section 1.

3.4.3: If the Scoping Meeting shows no potential for transmission system or Distribution System adverse system impacts, the Transmission Provider shall send the Interconnection Customer either a facilities study agreement (Attachment 8), including an outline of the scope of the study and a non- binding good faith estimate of the cost to perform the study, or an executable interconnection agreement, as applicable.

3.4.4: Where transmission systems and Distribution Systems have separate owners, such as is the case with transmission-dependent utilities ("TDUs") – whether investor-owned or not – the Interconnection Customer may apply to the nearest Transmission Provider (Transmission Owner, Regional Transmission Operator, or Independent Transmission Provider) providing transmission service to the TDU to request project coordination. Affected Systems shall participate in the study and provide all information necessary to prepare the study.

3.5: Facilities Study

3.5.1: Simultaneously with the delivery of the final Cluster Study Report, or Cluster Re-Study Report if any, Transmission provider shall provide Interconnection Customer with a Facilities Study Agreement including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study.

3.5.2: In order to remain under consideration for interconnection, or, as appropriate, in the Transmission Provider's interconnection queue, the Interconnection Customer must return the executed facilities study agreement or a request for an extension of time within 30 Business Days.

3.5.3: The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the Cluster Study.

3.5.4: Design for any required Interconnection Facilities and/or Upgrades shall be performed under the facilities study agreement. The Transmission Provider may contract with consultants to perform activities required under the facilities study agreement. The Interconnection Customer and the Transmission Provider may agree to allow the Interconnection Customer to separately arrange for the design of some of the Interconnection Facilities. In such cases, facilities design will be reviewed and/or modified prior to acceptance by the Transmission Provider, under the provisions of the facilities study agreement. If the Parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, the Transmission Provider shall make sufficient information available to the Interconnection Customer in accordance with confidentiality and critical infrastructure requirements to permit the Interconnection Customer to obtain an independent design and cost estimate for any necessary facilities.

3.5.5: A deposit of the good faith estimated costs for the facilities study may be required from the Interconnection Customer.

3.5.6: The scope of and cost responsibilities for the facilities study are described in the attached facilities study agreement.

3.5.7: Upon completion of the facilities study, and with the agreement of the Interconnection Customer to pay for Interconnection Facilities and Upgrades identified in the facilities study, the Transmission Provider shall provide the Interconnection Customer an executable interconnection agreement within five Business Days.

3.6: Restudies

Small Generating Facilities that are studied for Interconnection to the Transmission Provider's Transmission System pursuant to this Section 3 shall be subject to the restudy provisions in Section 7.5 and 8.5 of Attachment M.

SECTION 4: PROVISIONS THAT APPLY TO ALL INTERCONNECTION REQUESTS

4.1: Reasonable Efforts

The Transmission Provider shall make reasonable efforts to meet all time frames provided in these procedures unless the Transmission Provider and the Interconnection Customer agree to a different schedule. If the Transmission Provider cannot meet a deadline provided herein, it shall notify the 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: The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.

4.2.2: In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute. Such Notice of Dispute shall not be deemed a waiver of the requirements of, nor construed as compliance with, California Government Code Section 910 et seq., or any successor statute.

4.2.3: 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.

4.2.4: 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 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"); provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 4.2, the terms of this Article 4.2 shall prevail.

4.2.5: Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this interconnection process and shall have no power to modify or change any provision of this interconnection process 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.

4.2.6: 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.

4.2.7: If the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of these procedures; provided that, any dispute arising out of or relating to this interconnection process shall be brought in a state or federal court in the County of Los Angeles in the State of California. Each Party irrevocably agrees to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens.*

4.3: Interconnection Metering

Any metering necessitated by the use of the Small Generating Facility shall be installed at the Interconnection Customer's expense in accordance with North American Electric Reliability Corporation, state, or local regulatory requirements or the Transmission Provider's specifications.

4.4: Commissioning

Commissioning tests of the Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. The Transmission Provider must be given at least five 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.

4.5: Confidentiality

4.5.1: Confidential information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of these procedures all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed confidential information regardless of whether it is clearly marked or otherwise designated as such.

4.5.2: Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such

publication or release), or necessary to be divulged in an action to enforce these procedures. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under these procedures, or to fulfill legal or regulatory requirements.

4.5.2.1: Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

4.5.2.2: Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages and may seek other remedies available at law or in equity for breach of this provision.

4.5.3: Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to these procedures, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC. The Party shall notify the other Party when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

4.5.4 - CPRA, Brown Act: In addition to the foregoing provisions under this Section 4.5, Interconnection Customer acknowledges that Transmission Provider is subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§6250 et seq. ("CPRA") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 et. Seq. ("Brown Act"). Requests for information made directly to Transmission Provider pursuant to CPRA, and for information sought under the Brown Act, the Parties shall adhere to the provisions Section 13.1 of Attachment M to maintain confidentiality.

4.6: Comparability

The Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this document. The 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 the Transmission Provider, its subsidiaries or affiliates, or others.

4.7: Record Retention

The 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 the Transmission Provider, the Interconnection Customer shall have 30 Business Days or another mutually agreeable timeframe to sign and return the interconnection agreement or initiate Dispute Resolution pursuant to Section 13.5 of Attachment M. If the Interconnection Customer does not sign the interconnection agreement or initiate Dispute Resolution within 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.

4.9: Coordination with Affected Systems

The Transmission Provider shall coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System operators and, if possible, include those results (if available) in its applicable interconnection study within the time frame specified in these procedures. The Transmission Provider will include such Affected System operators in all meetings held with the Interconnection Customer as required by these procedures. The Interconnection Customer will cooperate with the Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A Transmission Provider which may be an Affected System shall cooperate with the Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

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 the 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 the Transmission Provider's electric system. However, if the maximum capacity that the Small Generating Facility is capable of injecting into the 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 the Interconnection Customer must obtain the Transmission Provider's agreement, with such agreement not to be unreasonably withheld, that the way the Interconnection Customer proposes to implement such a limit will not adversely affect the safety and reliability of the Transmission Provider's system. If the 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 the Transmission Provider's electric system without such limitations. Furthermore, nothing in this section shall prevent a Transmission Provider from considering an output higher than the limited output, if appropriate, when evaluating system protection impacts.

ATTACHMENT 1: GLOSSARY OF TERMS

Affected System – An electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Business Day – Monday through Friday, excluding Federal Holidays.

Cluster – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Cluster Request Window – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Cluster Re-Study (ies) – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Cluster Re-Study Report – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Cluster Study – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Cluster Study Agreement – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Cluster Study Report – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Distribution System – The Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and 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.

Informational Interconnection Study(ies) – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Interconnection Customer – Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Provider's Transmission System.

Interconnection Facilities – The Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to interconnect the Small Generating Facility physically and electrically to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Request – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Transmission Provider's Transmission System.

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 under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service – An Interconnection Service that allows the Interconnection Customer to integrate its Generating Facility with the Transmission Provider's System in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades – Additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Provider's Transmission System to accommodate the interconnection with the Small Generating Facility to the Transmission Provider's Transmission

System. Network Upgrades do not include Distribution Upgrades.

Party or Parties – The Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Transmission Provider's Transmission System.

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 the Transmission Provider.

Small Generating Facility – The Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request but shall not include the Interconnection Customer's Interconnection Facilities.

Study Process – The procedure for evaluating an Interconnection Request that includes the section 3 scoping meeting, Cluster Study, and facilities study.

Transition Cluster Study – shall have the meaning set out in Attachment M-1 of Transmission Provider's Tariff.

Transition Request – shall have the meaning set out in Attachment M-1 of Transmission Provider's Tariff.

Transmission Owner – The entity that owns, leases, or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Transmission Provider – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission System – The facilities owned, controlled, or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

Upgrades – The required additions and modifications to the Transmission Provider's Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

ATTACHMENT 2: SMALL GENERATOR INTERCONNECTION REQUEST

(Application Form)

Transmission Provider:
Designated Contact Person:
Address:
Telephone Number:
Fax:
E-Mail Address:

An Interconnection Request 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.

Preamble and Instructions

An Interconnection Customer who requests interconnection must submit this Interconnection Request by hand delivery, mail, e-mail, or fax to the Transmission Provider.

Processing Fee or Deposit

If the Interconnection Request is submitted under the Study Process, the Interconnection Customer shall submit to the Transmission Provider a deposit not to exceed $1,000 towards the cost of the Cluster Study.

Interconnection Customer Information

Legal Name of the Interconnection Customer (or, if an individual, individual's name)

Name:

Contact Person:

Mailing Address:

City: State: Zip:_

Facility Location (if different from above):

Telephone (Day): Telephone (Evening):

Fax: E-Mail Address:

Alternative Contact Information (if different from the Interconnection Customer)

Contact Name:

Title:

Address:

Telephone (Day): Telephone (Evening):

Fax: E-Mail Address:

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?

Net Metering? Yes No

To Supply Power to the Interconnection Customer? Yes No
To Supply Power to Others? Yes No

For installations at locations with existing electric service to which the proposed Small Generating Facility will interconnect, provide:

_____ _____
(Local Electric Service Provider*) (Existing Account Number*)

[*To be provided by the Interconnection Customer if the local electric service provider is different from the Transmission Provider]

Contact Name:

Title:

Address:

Telephone (Day): Telephone (Evening):

Fax: E-Mail Address:

Requested Point of Interconnection:

Interconnection Customer's Requested In-Service Date:

Small Generating Facility Information

Data apply only to the Small Generating Facility, not the Interconnection Facilities.

Energy Source: Solar Wind Hydro _ Hydro Type (e.g. Run-of-River):
Diesel Natural Gas Fuel Oil Other (state type)

Prime Mover: Fuel Cell Recip Engine Gas Turb Steam Turb
PV Other
Microturbine

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):
I22t or K (Heating Time Constant):
Rotor Resistance, Rr:
Stator Resistance, Rs:
Stator Reactance, Xs:
Rotor Reactance, Xr:
Magnetizing Reactance, Xm:
Short Circuit Reactance, Xd":
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 the 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 the 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):
If Microprocessor-Controlled:
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 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 the 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.

For Interconnection Customer: Date:

ATTACHMENT 3: CERTIFICATION CODES AND STANDARDS

IEEE1547 Standard for Interconnecting Distributed Resources with Electric Power Systems (including use of IEEE 1547.1 testing protocols to establish conformity)

UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems

IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV) Systems

NFPA 70 (2002), National Electrical Code

IEEE Std C37.90.1-1989 (R1994), IEEE Standard Surge Withstand Capability (SWC) Tests for Protective Relays and Relay Systems

IEEE Std C37.90.2 (1995), IEEE Standard Withstand Capability of Relay Systems to Radiated Electromagnetic Interference from Transceivers

IEEE Std C37.108-1989 (R2002), IEEE Guide for the Protection of Network Transformers IEEE Std C57.12.44-2000, IEEE Standard Requirements for Secondary Network Protectors

IEEE Std C62.41.2-2002, IEEE Recommended Practice on Characterization of Surges in Low Voltage (1000V and Less) AC Power Circuits

IEEE Std C62.45-1992 (R2002), IEEE Recommended Practice on Surge Testing for Equipment Connected to Low-Voltage (1000V and Less) AC Power Circuits

ANSI C84.1-1995 Electric Power Systems and Equipment – Voltage Ratings (60 Hertz) IEEE Std 100-2000, IEEE Standard Dictionary of Electrical and Electronic Terms NEMA MG 1-1998, Motors and Small Resources, Revision 3

IEEE Std 519-1992, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems

NEMA MG 1-2003 (Rev 2004), Motors and Generators, Revision 1

ATTACHMENT 4: CERTIFICATION OF SMALL GENERATOR EQUIPMENT PACKAGES

1.0: 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 below 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.

2.0: The 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.

3.0: 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.

4.0: 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.

5.0: 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.

6.0: An equipment package does not include equipment provided by the utility.

7.0: 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: RESERVED

ATTACHMENT 6: RESERVED

ATTACHMENT 7: RESERVED

ATTACHMENT 8: FACILITIES STUDY AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into this day of 20 by and between , a limited liability company organized and existing under the laws of the State of , ("Interconnection Customer,") 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, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

Recitals

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on ; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System;

WHEREAS, the Transmission Provider has completed a Cluster Study and provided the results of said study to the Interconnection Customer; and

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to implement the conclusions of the system impact study in accordance with Good Utility Practice to connect the Small Generating Facility with the Transmission Provider's Transmission System physically and electrically.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0

When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.

2.0

The Interconnection Customer elects, and the Transmission Provider shall cause a facilities study consistent with the standard Small Generator Interconnection Procedures to be performed in accordance with the Open Access Transmission Tariff.

3.0

The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement and Section 3 of the SGIP.

4.0

The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the Cluster study(s). The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of the Transmission Provider's Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.

5.0

The Transmission Provider may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities.

6.0

A deposit of the good faith estimated facilities study costs may be required from the Interconnection Customer.

7.0

In cases where Upgrades are required, the facilities study must be completed within 45 Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary, and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within 30 Business Days.

8.0

Once the facilities study is completed, a "draft" facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study must be completed, and the "draft" facilities study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a facilities study.

9.0

Interconnection Customer may, within 30 Calendar Days after receipt of the draft report, provide written comments to Transmission Provider, which Transmission Provider shall include in the final report. Transmission Provider shall issue the final Interconnection Facilities Study report within 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-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 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 4.5 of the standard Small Generator Interconnection Procedures.

10.0

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.

11.0

Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.

12.0

The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.

13.0: 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 California, 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.

14.0: Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

15.0: 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**.**

16.0: Waiver

16.1: 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.

16.2: Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

17.0: Multiple Counterparts

This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

18.0: 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.

19.0: 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.

20: 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.

20.1: 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 the Transmission Provider be liable

for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

20.2: The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

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.

[Insert name of Transmission Provider]	[Insert name of Interconnection Customer]
_____	_____
Signed	Signed
Name (Printed):	Name (Printed):
_____	_____
Title	Title

ATTACHMENT A: TO FACILITIES STUDY AGREEMENT: DATA TO BE PROVIDED BY THE INTERCONNECTION CUSTOMER WITH THE 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, etc.

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 location of auxiliary power. (Minimum load on CT/PT) Amps

One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections:

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 the one-line diagram).

What type of control system or PLC will be located at the Small Generating Facility?

_____

_____

What protocol does the control system or PLC use?

_____

_____

Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines.

Physical dimensions of the proposed interconnection station:

_____

Bus length from generation to interconnection station:

_____

Line length from interconnection station to Transmission Provider's Transmission System.

_____

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 Small Generating Facility located in Transmission Provider's service area?

Yes No If No, please provide name of local provider:

_____

Please provide the following proposed schedule dates:

Begin Construction	Date:	
Generator step-up transformers back feed power	Date:	receive
Generation Testing	Date:	
Commercial Operation	Date:	

SMALL GENERATOR
INTERCONNECTION AGREEMENT (SGIA)

(For Generating Facilities No Larger Than 20 MW)

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SMALL GENERATOR INTERCONNECTION AGREEMENT

This Interconnection Agreement ("Agreement") is made and entered into this____day of _____, 20_, by the Department of Water and Power of the City of Los Angeles, a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California ("Transmission Provider"), and _____ ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

Transmission Provider Information

Transmission Provider: _____
Attention:_____
Address:_____
City:_____State:_____Zip: _____
Phone:_____ Fax: _____

Interconnection Customer Information

Interconnection Customer: _____
Attention:_____
Address:_____
City:_____State:_____Zip: _____
Phone:_____ Fax: _____

Interconnection Customer Application No: _____

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 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).

1.2 This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Transmission Provider's Transmission System.

1.3 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 with

the applicable Transmission Provider.

1.4 Nothing in this Agreement is intended to affect any other agreement between the Transmission Provider and the Interconnection Customer.

1.5 Responsibilities of the Parties

1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.

1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.

1.5.3 The Transmission Provider shall construct, operate, and maintain its Transmission System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.

1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Transmission Provider 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. The Transmission Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Transmission Provider's Transmission System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance, and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

1.5.6 The Transmission Provider shall coordinate with all Affected Systems to support

the interconnection.

1.5.7 The Interconnection Customer shall ensure "frequency ride through" capability and "voltage ride through" capability of its Small Generating Facility. The Interconnection Customer shall enable these capabilities such that its Small Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the Transmission Provider 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 the Transmission Provider's automatic load-shed program. The Transmission Provider 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 the Transmission Provider 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 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 the Transmission Provider 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 the Transmission Provider 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.

1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to: 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the applicable system operator (s) for the Transmission Provider's Transmission System; and 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering

The Interconnection Customer shall be responsible for the Transmission Provider's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power and Primary Frequency Response

1.8.1 Power Factor Design Criteria

1.8.1.1 Synchronous Generation. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all similarly situated synchronous generators in the control area on a comparable basis.

1.8.1.2 Non-Synchronous Generation. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all similarly situated non-synchronous generators in the control 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. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of the Final Rule establishing this requirement (Order No. 827).

1.8.2 The Transmission Provider is required to pay the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Small Generating Facility when the Transmission Provider requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in article 1.8.1. In addition, if the Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay the Interconnection Customer.

1.8.3 Payments shall be in accordance with the Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved rate schedule. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously file such rate schedule at FERC or other appropriate Governmental Authority, and agree to support any request for waiver of the Commission's prior notice requirement to compensate the Interconnection Customer from the time service commenced.

1.8.4 Primary Frequency Response. Interconnection 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. Interconnection 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 NERC 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 an approved NERC 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 NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Small Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Small Generating Facility with the Transmission System, Interconnection 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, Interconnection Customer shall operate the Small Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider 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 NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Small Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider 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. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection 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. Interconnection 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. Interconnection 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. A Commission-approved 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. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Attachment 5 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 5 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 Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Attachment 5 must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection 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 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 Interconnection 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. Interconnection 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 Capitalized Terms. Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Transmission Provider of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Transmission Provider may, at its own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Transmission Provider a written test report when such testing and inspection is completed.

2.1.2 The Transmission Provider shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Transmission Provider of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer, or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Transmission Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Transmission Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Transmission Provider shall make Reasonable Efforts to cooperate with the Interconnection Customer in

meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Transmission Provider's Transmission System without prior written authorization of the Transmission Provider. The Transmission Provider will provide such authorization once the Transmission Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

2.3.1 Upon reasonable notice, the Transmission Provider may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Transmission Provider at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.

2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Transmission Provider shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

2.3.3 Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties.

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 and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article of this Agreement; or (ii) until the Generating Facility permanently ceases Commercial Operation, subject to Article 3.3.

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 The Interconnection Customer may terminate this Agreement at any time by giving the Transmission Provider 20 Business Days written notice.

3.3.2 Either Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Transmission Provider's Transmission System. 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 article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions -- "Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, the Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the Transmission Provider may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Transmission Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify the Transmission Provider promptly

when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Transmission Provider's Transmission System or 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

The Transmission Provider may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the Transmission Provider's Transmission System when necessary for routine maintenance, construction, and repairs on the Transmission Provider's Transmission System. The Transmission Provider shall provide the Interconnection Customer with five Business Days' notice prior to such interruption. The Transmission Provider shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3 Forced Outages

During any forced outage, the Transmission Provider may suspend interconnection service to effect immediate repairs on the Transmission Provider's Transmission System. The Transmission Provider shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Transmission Provider shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

The Transmission Provider shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the Transmission Provider's Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Transmission Provider may disconnect the Small Generating Facility. The Transmission Provider shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from the Transmission Provider before making any change to the Small Generating Facility

that may have a material impact on the safety or reliability of the Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Transmission Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the Transmission Provider's Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Transmission Provider shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Transmission Provider.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Transmission Provider's Interconnection Facilities.

4.2 Distribution Upgrades

The Transmission Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

Article 5. Cost Responsibility for Network Upgrades

5.1 Applicability

No portion of this article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.

5.2 Network Upgrades

The Transmission Provider or the Transmission Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Transmission Provider elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne by the Interconnection Customer.

5.3 Special Provisions for Affected Systems

Unless the Transmission Provider provides, under this Agreement, for the repayment of amounts advanced to any applicable Affected System operators for Network Upgrades, the Interconnection Customer and Affected System operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to Affected System operator as well as the repayment by Affected System operator.

5.4 Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future, under any other agreement or tariff because of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Small Generating Facility.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Transmission Provider shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement monthly, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.

6.1.2 Within three months of completing the construction and installation of the Transmission Provider's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Transmission Provider shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Transmission Provider for such facilities or Upgrades.

If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Transmission Provider shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Transmission Provider within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Transmission Provider shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Transmission Provider's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Transmission Provider, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Transmission Provider's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Transmission Provider under this Agreement during its term. In addition:

6.3.1 The guarantee must be made by an entity that meets the credit worthiness requirements of the Transmission Provider and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.

6.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Transmission Provider and must

specify a reasonable expiration date.

Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

7.1 Assignment

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided that:

7.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the Interconnection Customer promptly notifies the Transmission Provider of any such assignment.

7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the written consent of the Transmission Provider, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Transmission Provider of any such assignment.

7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, prior written consent to assignment will not be unreasonably withheld, conditioned, or delayed. The General Manager of LADWP, and/or his/her designee, is authorized to grant the consents contemplated by this Article on behalf of LADWP.

7.2 Limitation of Liability

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.

7.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

7.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

7.4 Consequential Damages

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, business interruption, 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.

7.5 Force Majeure

7.5.1 A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party’s performance is prevented by a Force Majeure that, despite the exercise of due diligence (which does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other

labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to the additional requirement of a Force Majeure Written Notice set forth in Article 7.5.2.

7.5.2 A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall provide the Force Majeure Immediate Notice pursuant to Article 7.5.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set forth above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure event or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall

have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article 8. Insurance

8.1 Additional Insured Status Required.
Interconnection Customer shall procure at its own expense, and keep in effect at all times during the term of this Agreement, the types and amounts of insurance specified on the attached Contract Insurance Requirements page. The specified insurance shall also, either by provisions in the policies, by the City of Los Angeles' (the "City") own endorsement form or by other endorsement attached to such policies, be in a form acceptable to the Risk Manager of Transmission Provider (hereinafter referred to as "Risk Manager") and the Office of City Attorney, include and insure City, Transmission Provider, its Board of Commissioners (hereinafter referred to as "Board"), and all of its officers, employees and agents, their successors and assigns, as Additional Insureds (except for Workers' Compensation), against the area of risk described herein as respects Interconnection Customer's acts or omissions in its performance of the agreement, hereunder or other related functions performed by or on behalf of Interconnection Customer. Acceptance of the submitted evidence of insurance shall not be unreasonably withheld. Such insurance shall not limit or qualify the liabilities and obligations of the Interconnection Customer assumed under the contract.

8.2 Severability of Interests and Cross Liability Required.
Each specified insurance policy (other than Workers' Compensation and Employers' Liability and Property coverage) shall contain a Severability of Interest and Cross Liability clause which states in effect, "It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability," and a Contractual Liability Endorsement which shall state in effect, "Such insurance as is afforded by this policy shall also apply to liability assumed by the insured under this Agreement with the City of Los Angeles."

8.3 Primary and Non-Contributory Insurance Required.
All such insurance shall be Primary and Noncontributing with any other insurance held by Transmission Provider where liability arises out of or results from the acts or omissions of Interconnection Customer, its agents, employees, officers, assigns, or any person or entity acting for or on behalf of Interconnection Customer. Any insurance carried by Transmission Provider which may be applicable shall be deemed to be excess insurance and the Interconnection Customer's insurance is primary for all purposes despite any conflicting provision in the Interconnection

Customer's policies to the contrary.

8.4 Deductibles Subject to Transmission Provider's Discretion.
Deductibles and/or self-insured retentions shall be at the sole discretion of the Risk Manager. The Transmission Provider shall have no liability for any premiums charged for such coverage(s). The inclusion of the Transmission Provider, its Board, and all of its officers, employees and agents, and their agents and assigns, as additional insureds, is not intended to, and shall not, make them, or any of them a partner or joint venturer with Interconnection Customer in its operations.

8.5 Proof of Insurance for Renewal or Extension Required.
At least thirty (30) days after the expiration date of any of the policies required on the attached Contract Insurance Requirement page, documentation showing that the insurance coverage has been renewed or extended shall be filed with the Transmission Provider. If such coverage is canceled or reduced in coverage, Interconnection Customer shall, within fifteen (15) days of such cancellation or reduction of coverage, file with Transmission Provider evidence that the required insurance has been reinstated or provided through another insurance company or companies.

8.6 Submission of Acceptable Proof of Insurance and Notice of Cancellation.
Interconnection Customer shall provide proof to the Risk Manager of all specified insurance and related requirements either by production of the actual insurance policy(ies), by use of Transmission Provider's own endorsement form(s), or by other written evidence of insurance acceptable to the Risk Manager, but always in a form acceptable to the Risk Manager and the Office of the City Attorney. Acceptance of the submitted evidence of insurance shall not be unreasonably withheld. The documents evidencing all specified coverage shall be filed with Transmission Provider prior to Interconnection Customer beginning operations hereunder. Said proof shall contain at a minimum, the applicable policy number, the inclusive dates of policy coverage, the date the protection begins for Transmission Provider, and the insurance carrier's name. It shall bear an original signature of an authorized representative of said carrier, and shall provide that such insurance shall not be subject to cancellation, material reduction in coverage or non-renewal except after written notice by certified mail, return receipt requested, to the City Attorney of the City of Los Angeles at least thirty (30) calendar days prior to the effective date thereof. Seller may provide the required notice consistent with the time frame specified herein. The notification shall be sent by registered mail to: Risk Management Section, L.A. Water and Power, Post Office Box 51111, JFB Room 465, Los Angeles, California 90051-0100.

8.7 Claims-Made Insurance Conditions.
Should any portion of the required insurance be on a "Claims Made" policy, the Interconnection Customer shall, at the policy expiration date following completion

of work, provide evidence that the "Claims Made" policy has been renewed or replaced with the same limits, terms and conditions of the expiring policy, or that an extended three (3) years discovery period has been purchased on the expiring policy at least for the contract under which the work was performed.

8.8 Failure to Maintain and Provide as Cause for Termination.
Failure to maintain and provide acceptable evidence of the required insurance for the required period of coverage shall constitute a breach of contract, upon which Transmission Provider may immediately terminate or suspend the agreement.

8.9 Periodic Right to Review/Update Insurance Requirements.
The Transmission Provider and Interconnection Customer agree that the insurance policy limits specified on the attached Contract Insurance Requirements page may be reviewed for adequacy annually throughout the term of this Agreement by the Risk Manager/City Attorney, who may thereafter require Interconnection Customer to adjust the amounts and types of insurance coverage however the Risk Manager/City Attorney deems to be adequate and necessary. Transmission Provider reserves the right to have submitted to it, upon request, all pertinent information about the agent and carrier providing such insurance, including applicable license and ratings.

8.10 Specific Insurance Requirements.
See Attachment "Contract Insurance Requirements."

8.11 Limitation of Liability and Release.
TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

Article 9. Confidentiality

9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.

9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages and may seek other remedies available at law or in equity for breach of this provision.

9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests

from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

9.4 CPRA, Brown Act

In addition to the foregoing provisions under this Article 9.4, Interconnection Customer acknowledges that Transmission Provider is subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§ 6250 et seq. ("CPRA") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 et. seq. ("Brown Act"). Requests for information made directly to Transmission Provider pursuant to CPRA will be managed in a similar manner identified within Article 9.3. For purposes of the Brown Act, the Parties shall adhere to the provisions of Article 9.1 to maintain confidentiality.

Article 10. Disputes

10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.

10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute. Such Notice of Dispute shall not be deemed a waiver of the requirements of, nor construed as compliance with, California Government Code Section 910 et seq., or any successor statute.

10.3 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

10.4 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 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"); provided, however, in the event of a conflict between the Arbitration Rules

and the terms of this Article 10, the terms of this Article 10 shall prevail.

10.5 Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this SGIA 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.

10.6 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.

10.7 If the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement; provided that, any dispute arising out of or relating to this SGIA shall be brought in a state or federal court in the County of Los Angeles in the State of California. Each Party irrevocably agrees to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens*.

Article 11. Taxes

11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with Internal Revenue Service requirements.

11.2 Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Transmission Provider's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

12.1 Governing Law, Regulatory Authority, and Rules
The validity, interpretation, and enforcement of this Agreement and each of its provisions shall be governed by and enforced in accordance with the laws of the State of California, as if executed and to be performed wholly within the State of California. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment
The Parties may amend this Agreement by a written instrument duly executed by both Parties.

12.3 No Third-Party Beneficiaries
This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver

12.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

12.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement
This Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts
This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

12.7 No Partnership
This Agreement shall not be interpreted or construed to create an association, joint

venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects all Transmission Providers, market participants, and Interconnection Customers interconnected to electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

12.11.1 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 the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 Reserved.

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national currier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

If to the Transmission Provider:

Transmission Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____

Transmission Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

If to the Transmission Provider:

Transmission Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

Transmission Provider's Operating Representative:

Transmission Provider: _____
Attention: _____

Address:_____
City:_____State:_____Zip:_____
Phone:_____ Fax: _____

13.5 Changes to the Notice Information
Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Article 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For the Transmission Provider

Name: _____

Title: _____

Date: _____

For the Interconnection Customer

Name: _____

Title: _____

Date: _____

Attachment 1

Glossary of Terms

Affected System – An electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Applicable Laws and Regulations – All duly promulgated applicable federal, state, and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Business Day – Monday through Friday, excluding Federal Holidays.

Default – The failure of a breaching Party to cure its breach under the Small Generator Interconnection Agreement.

Distribution System – The Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to affect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Force Majeure - Any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, or 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.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer, the Interconnection Provider, or any

Affiliate thereof. In this context Interconnection Provider does not include the City of Los Angeles or the Board of Water and Power Commissioners. Interconnection Provider only includes the Department of Water and Power.

Interconnection Customer – Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Provider's Transmission System.

Interconnection Facilities – The Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to interconnect the Small Generating Facility physically and electrically to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Request – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Transmission Provider's Transmission System.

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 the Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Provider's Transmission System to accommodate the interconnection of the Small Generating Facility with the Transmission Provider's Transmission System. Network Upgrades do not include Distribution Upgrades.

Operating Requirements – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, Independent System Operator, control area, or the Transmission Provider's requirements, including those set forth in the Small Generator Interconnection Agreement.

Party or Parties – The Transmission Provider, Transmission Owner, Interconnection Customer, or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Transmission Provider's Transmission System.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Small Generating Facility – The Interconnection Customer's device for the production and/or

storage for later injection of electricity identified in the Interconnection Request but shall not include the Interconnection Customer's Interconnection Facilities.

Tariff – The Transmission Provider or Affected System's Tariff through which open access transmission service and Interconnection Service are offered, as amended or supplemented from time to time, or any successor tariff.

Transmission Owner – The entity that owns, leases, or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Transmission Provider – The transmitting utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission System – The facilities owned, controlled, or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

Upgrades – The required additions and modifications to the Transmission Provider's Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Attachment 2

Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, the Transmission Provider, or the Transmission Owner. The Transmission Provider will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

Attachment 3

One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

Attachment 4

Milestones

In-Service Date: _____

Critical milestones and responsibility as agreed to by the Parties:

	Milestone/Date	**Responsible Party**
(1)	_____	_____
(2)	_____	_____
(3)	_____	_____
(4)	_____	_____
(5)	_____	_____
(6)	_____	_____
(7)	_____	_____
(8)	_____	_____
(9)	_____	_____
(10)	_____	_____

Agreed to by:

For the Transmission Provider_____Date_____

For the Transmission Owner (If Applicable)_____Date_____

For the Interconnection Customer_____Date_____

Attachment 5

Additional Operating Requirements for the Transmission Provider's Transmission System and Affected Systems Needed to Support the Interconnection Customer's Needs

The Transmission Provider shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the Transmission Provider's Transmission System.

Attachment 6

Transmission Provider's Description of its Upgrades and Best Estimate of Upgrade Costs

The Transmission Provider shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Transmission Provider shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

ATTACHMENT O

Energy Imbalance Market

1. General Provision - Purpose and Effective Date of Attachment O

Attachment O provides for Transmission Provider's participation as the LADWP EIM Entity in the EIM administered by the MO. This Attachment O should be read in conjunction with the LADWP EIM BP.

Attachment O shall be in effect upon its acceptance by the Transmission Provider's Board of Commissioners and Los Angeles City Council, with the exceptions provided below, for as long as Transmission Provider implements the EIM and until all final settlements are finalized resulting from such implementation. Sections 4.1.5, 4.1.6, 8 and 10 of this Attachment O take effect no earlier than April 1, 2021, or the implementation date of Transmission Provider's participation in the EIM, whichever is later. All other sections of this Attachment O take effect no earlier than January 1, 2021 or seven (7) days prior to the start of parallel operations.

This Attachment O shall apply to: (1) all Transmission Customers and Interconnection Customers, as applicable, with new and existing service agreements under Parts II and III and Attachments M and O of this Tariff, (2) all transmission customers with legacy transmission agreements that pre-existed this Tariff and that expressly incorporate by reference the applicability of LADWP's Tariff and/or this Attachment O in particular, and (3) Transmission Provider's use of the transmission system for service to Native Load Customers. To the extent an Interconnection Customer controls the output of a generator located in LADWP's BAA, the LADWP EIM Entity may require the Interconnection Customer to comply with a requirement in this Attachment O that on its face applies to a Transmission Customer to the extent that the LADWP EIM Entity makes a determination, in its sole discretion, that the Interconnection Customer is the more appropriate party to satisfy the requirements of Attachment O than any Transmission Customer.

This Attachment O shall work in concert with the provisions of the MO Tariff implementing the EIM to support operation of the EIM. To the extent that this Attachment O is inconsistent with a provision in the remainder of this Tariff with regard to the LADWP EIM Entity's administration of the EIM, this Attachment O shall prevail.

This Attachment O governs the relationship between the LADWP EIM Entity and all Transmission Customers and Interconnection Customers subject to this Tariff. This

Attachment O does not establish privity between Transmission Customers and the MO or make a Transmission Customer subject to the MO Tariff. Any Transmission Customer duties and obligations related to the EIM are those identified in this Tariff, unless the Transmission Customer voluntarily elects to participate directly in the EIM with LADWP EIM Participating Resources, in which case the MO Tariff provisions for EIM Participating Resources and EIM Participating Resource Scheduling Coordinators shall also apply.

2. Election of Transmission Customers to become LADWP EIM Participating Resources

The decision of a Transmission Customer to participate in the EIM with resources as LADWP EIM Participating Resources is voluntary. A Transmission Customer that chooses to have a resource become an LADWP EIM Participating Resource must:

(i) Meet the requirements specified in Section 3 of this Attachment O and the LADWP EIM BP;

(ii) Become or retain a MO-certified EIM Participating Resource Scheduling Coordinator; and

(iii) Follow the application and certification process specified in this Attachment O and the LADWP EIM BP posted on the Transmission Provider's OASIS.

Transmission Customers which own or control multiple resources may elect to have any or all of their resources be LADWP EIM Participating Resources, in which case any resources that are not elected by the Transmission Customer to be LADWP EIM Participating Resources shall be treated as Non-Participating Resources for purposes of this Attachment O.

3. Eligibility to be an LADWP EIM Participating Resource

3.1 Internal Resources - Transmission Rights

Resources owned or controlled by Transmission Customers and located within the metered boundaries of LADWP's BAA are eligible to become LADWP EIM Participating Resources. The Transmission Customer that owns or controls the resource must have associated transmission rights based on one of the following:

(i) The resource is a designated Network Resource of a Network Customer and the Network Customer elects to participate in the EIM through its Network Integration Transmission Service Agreement; or

(ii) The resource is associated with either (i) a Service Agreement for Firm Point-to-Point Transmission Service or (ii) a Service Agreement for Non-Firm Point-to-Point Transmission Service, and such Transmission Customer elects to participate in the EIM.

3.2 Resources External to LADWP EIM Entity BAA

3.2.1 Use of Pseudo-Ties

A resource owned or controlled by a Transmission Customer that is not physically located inside the metered boundaries of LADWP's BAA may participate in the EIM as an LADWP EIM Participating Resource if the Transmission Customer: (1) implements a Pseudo-Tie into LADWP's BAA, consistent with LADWP's business practice posted on Transmission Provider's OASIS; (2) has arranged firm transmission over any third-party transmission systems to an LADWP EIM Entity BAA intertie boundary equal to the amount of energy that will be Dynamically Transferred through a Pseudo- Tie into the LADWP EIM Entity BAA, consistent with LADWP's business practice posted on Transmission Provider's OASIS; and (3) has secured transmission service consistent with Section 3.1 of this Attachment O.

3.2.2 Pseudo-Tie Costs

Pseudo-Tie implementation costs shall be allocated in a manner consistent with the treatment of Network Upgrades and Direct Assignment Facilities to facilitate a Pseudo-Tie into LADWP EIM Entity BAA.

3.3 Application and Certification of LADWP EIM Participating Resources

This section should be read in conjunction with the LADWP EIM BP.

3.3.1 Application

To register a resource to become an LADWP EIM Participating Resource, an applicant must submit a completed application and shall provide a deposit of $1,500 for the LADWP EIM Entity to process the application. Upon completion of processing the completed application, the LADWP EIM Entity shall charge and the applicant shall pay the actual costs of the application processing. Any difference between the deposit and the actual costs of the application processing shall be paid by or refunded (without interest) to the LADWP EIM Participating Resource applicant, as appropriate. At the time of application, any LADWP EIM Participating Resource applicant must elect to perform the

duties of either a CAISO Metered Entity or Scheduling Coordinator Metered Entity, consistent with the MO's requirements, as applicable.

3.3.2 **Processing the Application**

The LADWP EIM Entity shall make a determination as to whether to accept or reject the application within 45 days of receipt of the application. At minimum, the LADWP EIM Entity shall validate through the application that the LADWP EIM Participating Resource applicant has satisfied Sections 3.1 and 3.2 of this Attachment O, as applicable, and met minimum telemetry and metering requirements, as set forth in the MO's requirements and the LADWP EIM BP. Within 45 days of receipt of the application and in accordance with the process outlined in the LADWP EIM BP, the LADWP EIM Entity may request additional information and will attempt to resolve any minor deficiencies in the application with the Transmission Customer. The LADWP EIM Entity may extend the 45-day period to accommodate the resolution of minor deficiencies in the application in order to make a determination on an application. If the LADWP EIM Entity approves the application, it shall send notification of approval to both the LADWP EIM Participating Resource applicant and the MO. If the LADWP EIM Entity rejects the application, the LADWP EIM Entity shall send notification stating the grounds for rejection to the LADWP EIM Participating Resource applicant. Upon request, the LADWP EIM Entity may provide guidance to the applicant as to how the LADWP EIM Participating Resource applicant may cure the grounds for the rejection. In the event that the LADWP EIM Entity has granted an extension of the 45-day period but the applicant has neither provided the additional requested information nor otherwise resolved identified deficiencies within six (6) months of the LADWP EIM Entity's initial receipt of the application, the application shall be deemed rejected by the LADWP EIM Entity. If an application is rejected, the LADWP EIM Participating Resource applicant may resubmit its application at any time (including submission of a new processing fee deposit).

3.3.3 **Certification Notice**

Upon approval of an application and in accordance with the process specified in the LADWP EIM BP, certification by the LADWP EIM Entity of the LADWP EIM Participating Resource to participate in the EIM shall occur once the Transmission Customer has demonstrated and the MO has confirmed that the Transmission Customer has:

(i) Met the MO's criteria to become an EIM Participating Resource and executed the MO's pro forma EIM Participating Resource Agreement;

(ii) Qualified to become or retained the services of a MO-certified EIM Participating Resource Scheduling Coordinator;

(iii) Met the necessary metering requirements of this Tariff and Section 29.10 of the MO Tariff and the EIM Participating Resource Scheduling Coordinator has executed the MO's pro forma Meter Service Agreement for Scheduling Coordinators; and

(iv) Met communication and data requirements of this Tariff and Section 29.6 of the MO Tariff; and has the ability to receive and implement Dispatch Instructions every five minutes from the MO.

Upon receiving notice from the MO of the completion of the enumerated requirements by the Transmission Customer, the LADWP EIM Entity shall provide notice to both the Transmission Customer with an LADWP EIM Participating Resource and the MO that the LADWP EIM Participating Resource is certified and therefore eligible to participate in the EIM.

3.3.4 **Status of Resource Pending Certification**

If the Transmission Customer: (i) has submitted an application for a resource to be an LADWP EIM Participating Resource but the application has not been approved; or (ii) has not yet been certified by the LADWP EIM Entity consistent with Section 3.3.3 of this Attachment O, the resource shall be deemed to be a Non-Participating Resource.

3.3.5 **Notice and Obligation to Report a Change in Information**

Each Transmission Customer with an LADWP EIM Participating Resource has an ongoing obligation to inform the LADWP EIM Entity of any changes to any of the information submitted as part of the application process under this Attachment O. This information includes, but is not limited to:

(i) Any change in the LADWP EIM Participating Resource Scheduling Coordinator representing the resource;

(ii) Any change in the ownership or control of the resource;

(iii) Any change to the physical characteristics of the resource required to be reported to the MO in accordance with Section 29.4(c)(4)(C) of the MO Tariff; or

(iv) If either the MO terminates the participation of the LADWP EIM Participating Resource in the EIM or the Transmission Customer has terminated the LADWP EIM Participating Resource's participation in the EIM; in either case, that resource shall be considered to be a Non-Participating Resource for purposes of this Tariff, including Attachment O.

4. Roles and Responsibilities

4.1 Transmission Provider as the LADWP EIM Entity and the LADWP EIM Entity Scheduling Coordinator

4.1.1 Responsibilities

4.1.1.1 Identification of EIM Entity Scheduling Coordinator

The LADWP EIM Entity can serve as the LADWP EIM Entity Scheduling Coordinator or retain a third party to perform such role. If the LADWP EIM Entity is not the LADWP EIM Entity Scheduling Coordinator, the LADWP EIM Entity shall communicate to the LADWP EIM Entity Scheduling Coordinator the information required by the LADWP EIM Entity Scheduling Coordinator to fulfill its responsibilities in the EIM.

The LADWP EIM Entity Scheduling Coordinator shall coordinate and facilitate the EIM in accordance with the requirements of the MO Tariff. The LADWP EIM Entity Scheduling Coordinator must meet the certification requirements of the MO and enter into any necessary MO agreements.

4.1.1.2 Processing LADWP EIM Participating Resource Applications

The LADWP EIM Entity shall be responsible for processing applications of Transmission Customers seeking authorization to participate in the EIM with resources as LADWP EIM Participating Resources in accordance with Section 3.3 of this Attachment O.

4.1.1.3 Determination of EIM Implementation Decisions for LADWP's BAA

The LADWP EIM Entity is solely responsible for making any decisions with respect to EIM participation that the MO requires of EIM Entities. The LADWP EIM Entity has made the following determinations:

(i) Eligibility requirements: Eligibility requirements are set forth in Section 3 of Attachment O.

(ii) Load Aggregation Points: There shall be one LAP for LADWP's BAA.

(iii) MO load forecast: The LADWP EIM Entity shall utilize the MO load forecast but shall retain the right to provide the load forecast to the MO in accordance with the MO Tariff.

(iv) MO metering agreements: The LADWP EIM Entity and all Transmission Customers with LADWP EIM Participating Resources shall have the option to elect to be Scheduling Coordinator Metered Entities or CAISO Metered Entities in accordance with Section 29.10 of the MO Tariff. The LADWP EIM Entity shall be a Scheduling Coordinator Metered Entity on behalf of all Transmission Customers with Non-Participating Resources in accordance with Section 29.10 of the MO Tariff.

4.1.1.4 LADWP EIM Business Practice

The LADWP EIM Entity shall establish and revise, as necessary, procedures to facilitate implementation and operation of the EIM through the LADWP EIM BP that shall be posted on the Transmission Provider's OASIS.

4.1.1.5 Determination to Take Corrective Actions or Permanently Terminate Participation in the EIM

The LADWP EIM Entity may take corrective actions in LADWP's BAA in accordance with the requirements of Section 10.3 of Attachment O.

In addition, the LADWP EIM Entity, in its sole and absolute discretion, may permanently terminate its participation in the EIM by providing notice of termination to the MO pursuant to applicable agreements.

4.1.2 Responsibilities of the LADWP EIM Entity to Provide Required Information

4.1.2.1 Provide Modeling Data to the MO

The LADWP EIM Entity shall provide the MO information associated with transmission facilities within LADWP's BAA, including, but not limited to, network constraints and associated limits that must be observed in LADWP's BAA network and interties with other BAAs.

4.1.2.2 Registration

The LADWP EIM Entity shall register all Non-Participating Resources with the MO. The LADWP EIM Entity may choose to obtain default energy bids from the MO for Non-Participating Resources that are Balancing Authority Area Resources. The LADWP EIM Entity shall update this information in accordance with the MO's requirements as revised information is received from Transmission Customers with Non-Participating Resources in accordance with Section 4.2.1.2 of this Attachment O.

4.1.3 Day-to-Day EIM Operations

4.1.3.1 Submission of Transmission Customer Base Schedule, Forecast Data for Non-Participating Resources that are Variable Energy Resources, and Resource Plans

The LADWP EIM Entity is responsible for providing the data required by the MO in accordance with Section 29.34 of the MO Tariff, including but not limited to: (1) hourly Transmission Customer Base Schedules; (2) Forecast Data for Non-Participating Resources that are Variable Energy Resources; and (3) Resource Plans.

4.1.3.2 Communication of Manual Dispatch Information

The LADWP EIM Entity shall inform the MO of a Manual Dispatch by providing adjustment information for the affected resources in accordance with Section 29.34 of the MO Tariff.

4.1.3.3 Confirmation

The MO shall calculate, and the LADWP EIM Entity shall confirm, actual values for Dynamic Schedules reflecting EIM Transfers to the MO within 60 minutes after completion of the Operating Hour to ensure the e-Tag author will be able to update these

values in accordance with WECC policies and industry standards through an update to the e-Tag. If WECC policies and industry standards are modified such that the 60-minute time frame set forth in the preceding sentence is no longer sufficient to enable compliance with the WECC policies and industry standards, Transmission Provider shall specify in its EIM BP the applicable time frame necessary to remain compliant.

4.1.3.4 Dispatch of EIM Available Balancing Capacity of a Non-Participating Resource

Upon notification by the MO, the LADWP EIM Entity shall notify the Non-Participating Resource of the Dispatch Operating Point for any EIM Available Balancing Capacity from the Non-Participating Resource, except in circumstances in which the LADWP EIM Entity determines the additional capacity is not needed for the BAA or has taken other actions to meet the capacity need.

4.1.4 Provision of Meter Data

The LADWP EIM Entity shall submit load, resource, and Interchange meter data to the MO in accordance with the format and timeframes required in the MO Tariff on behalf of Transmission Customers with Non-Participating Resources, loads, and Interchange.

4.1.5 Settlement of MO Charges and Payments

The LADWP EIM Entity shall be responsible for financial settlement of all charges and payments allocated by the MO to the LADWP EIM Entity. The LADWP EIM Entity shall sub-allocate EIM charges and payments in accordance with Schedules 1, 1A, 4, and 9 of this Tariff or Section 8 of Attachment O, as applicable.

4.1.6 Dispute Resolution with the MO

The LADWP EIM Entity shall manage dispute resolution with the MO for the LADWP EIM Entity settlement statements consistent with Section 29.13 of the MO Tariff, Section 12 of this Tariff, and the LADWP EIM BP. Transmission Customers with LADWP EIM Participating Resources shall manage dispute resolution with the MO for any settlement statements they receive directly from the MO.

4.2 Transmission Customer Responsibilities

The following Transmission Customers must comply with the information requirements of this section: (1) Transmission Customers with an LADWP EIM Participating

Resource; (2) Transmission Customers with a Non-Participating Resource; (3) Transmission Customers with load within LADWP's BAA; and (4) subject to the limitations identified in Section 4.2.4.5.1 of this Attachment O, Transmission Customers wheeling through LADWP's BAA. This section should be read in conjunction with the LADWP EIM BP.

4.2.1 Initial Registration Data

4.2.1.1 Transmission Customers with an LADWP EIM Participating Resource

A Transmission Customer with an LADWP EIM Participating Resource shall provide the LADWP EIM Entity with the data necessary to meet the requirements established by the MO to register all resources with the MO as required by Section 29.4(e)(4)(D) of the MO Tariff.

4.2.1.2 Transmission Customers with a Non-Participating Resource

A Transmission Customer with Non-Participating Resources shall provide the LADWP EIM Entity with data necessary to meet the requirements established by the MO as required by Section 29.4(c)(4)(C) of the MO Tariff.

4.2.2 Responsibility to Update Required Data

4.2.2.1 Transmission Customers with an LADWP EIM Participating Resource

Each Transmission Customer with an LADWP EIM Participating Resource has an ongoing obligation to inform the MO and LADWP EIM Entity of any changes to any of the information submitted by the Transmission Customer provided under Section 4.2.1 of this Attachment O that reflects changes in operating characteristics as required by Section 29.4(e)(4)(D) of the MO Tariff.

4.2.2.2 Transmission Customers with Non-Participating Resources

Each Transmission Customer with a Non-Participating Resource has an ongoing obligation to inform the LADWP EIM Entity of any changes to any of the information

submitted by the Transmission Customer with a Non-Participating Resource provided under Section 4.2.1 of this Attachment O.

4.2.3 **Outages**

Transmission Customers with LADWP EIM Participating Resources and Transmission Customers with Non-Participating Resources shall be required to provide planned and unplanned outage information for their resources in accordance with Section 7 of this Attachment O.

4.2.4 **Submission of Transmission Customer Base Schedule**

Every Transmission Customer (including Transmission Customers which do not have any resources or load within LADWP's BAA) shall submit the Transmission Customer Base Schedule to the LADWP EIM Entity. This submission must include Forecast Data on all resources, Interchange, and Intrachange which balance to the Transmission Customer's anticipated load, as applicable. If the Transmission Customer does not serve load within LADWP's BAA, submission of the Transmission Customer Base Schedule shall balance to the Transmission Customer's anticipated actual generation within LADWP's BAA. The submissions shall be in the format and within the timing requirements established by the MO and the LADWP EIM Entity as required in Section 4.2.4.5 of this Attachment O and the LADWP EIM BP.

4.2.4.1 **Transmission Customers with an LADWP EIM Participating Resource or Non-Participating Resource in the LADWP EIM Entity BAA**

A Transmission Customer with an LADWP EIM Participating Resource or a Non-Participating Resource is not required to submit Forecast Data for:

(i) resources located in LADWP EIM Entity BAA that are less than three MW; or

(ii) behind-the-meter generation which is not contained in the MO's network model.

Each LADWP EIM Participating Resource Scheduling Coordinator shall provide to the LADWP EIM Entity:

(i) the energy bid range data (without price information) of the respective resources it represents that are participating in the EIM; and

(ii) Dispatch Operating Point data of the respective resources it represents that are participating in the EIM.

4.2.4.2 Transmission Customers with Non-Participating Resources that are Variable Energy Resources

4.2.4.2.1 Resource Forecasts

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall submit (i) resource Forecast Data with hourly granularity and (ii) resource Forecast Data with 5-minute or 15-minute granularity. A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall provide, at minimum, a three-hour rolling forecast with 15-minute granularity, updated every 15 minutes, and may provide, in the alternative, a three-hour rolling forecast with 5-minute granularity, updated every 5 minutes.

4.2.4.2.2 Method of submission

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall submit resource Forecast Data consistent with this Section 4.2.4.2 using any one of the following methods:

(i) The Transmission Customer may elect to use the LADWP EIM Entity's Variable Energy Resource reliability forecast prepared for Variable Energy Resources within LADWP's BAA, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to Schedule 9 of this Tariff;

(ii) The Transmission Customer may elect to self-supply the Forecast Data and provide such data to the LADWP EIM Entity, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to Schedule 9 of this Tariff; or

(iii) The Transmission Customer may elect that the MO produce Forecast Data for the Variable Energy Resource, made available to the Transmission Customer in a manner consistent with Section 29.11 (j)(1) of the MO Tariff, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to Schedule 9 of this Tariff.

4.2.4.2.3 Timing of submission

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource must elect one of the above methods prior to either: (1) the date LADWP joins the EIM or (2) the date the Non-Participating Resource interconnects to LADWP's BAA. A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource may change its election by providing advance notice to the LADWP EIM Entity.

To the extent a Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource elects method (2) above, and such Transmission Customer fails to submit resource Forecast Data for any time interval as required by this Section 4.2.4.2 of this Attachment O, the LADWP EIM Entity shall apply method (1) for purposes of settlement pursuant to Schedule 9 of this Tariff.

4.2.4.3 Transmission Customers with Load

As set forth in Sections 4.2.4 of this Attachment O, a Transmission Customer is required to submit Forecast Data on all resources, Interchange, and Intrachange which balance to the Transmission Customer's anticipated load, as applicable.

For purposes of settling Energy Imbalance Service pursuant to Schedule 4 of this Tariff, the LADWP EIM Entity shall calculate the load component of the Transmission Customer Base Schedule as the resource Forecast Data net of its Interchange Forecast Data and net of its Intrachange Forecast Data, as applicable.

4.2.4.4 Transmission Customers Without Resources or Load in LADWP's EIM Entity BAA

A Transmission Customer which does not have any resources or load within LADWP's EIM Entity BAA shall submit a Transmission Customer Base Schedule that includes Interchange and Intrachange Forecast Data to the LADWP EIM Entity.

4.2.4.5 Timing of Transmission Customer Base Schedules Submission.

4.2.4.5.1 Preliminary Submission of Transmission Customer Base Schedules by Transmission Customers with Resources or Load in the LADWP EIM Entity BAA.

Transmission Customers with resources or load in the LADWP EIM Entity BAA shall submit their initial Transmission Customer Base Schedules 7 days prior to each Operating Day ("T - 7 days"). Transmission Customers may modify the proposed Transmission Customer Base Schedule at any time but shall submit at least one update by 10 a.m. of the day before the Operating Day.

4.2.4.5.2 Final Submissions of Transmission Customer Base Schedules

Transmission Customers shall submit proposed final Transmission Customer Base Schedules, at any time but no later than 77 minutes prior to each Operating Hour ("T-77"). Transmission Customers may modify Transmission Customer Base Schedules up to and until 57 minutes prior to the Operating Hour ("T-57"). As of 55 minutes prior to each Operating Hour ("T-55"), the Transmission Customer Base Schedule data for the Operating Hour will be considered financially binding and Transmission Customers may not submit further changes. If the Transmission Customer fails to enter a Forecast Data value, the default will be 0 MW for that Operating Hour.

4.2.5 Metering for Transmission Customers with Non-Participating Resources

To assess imbalance, the MO shall disaggregate meter data into 5-minute intervals if the meter intervals are not already programmed to 5-minute intervals pursuant to a Transmission Customer's applicable interconnection requirements associated with any agreement pursuant to the form of Large Generator Interconnection Agreement found in Attachment M of this Tariff. To the extent that a Transmission Customer owns the meter or owns the communication to the meter, the Transmission Customer shall be responsible to maintain accurate and timely data accessible for the LADWP EIM Entity to comply with Section 4.1.4 of this Attachment O.

5. Transmission Operations

5.1 Provision of Information Regarding Real-Time Status of the Transmission Provider's Transmission System

(i) real time data for the Transmission System and interties; and

(ii) any changes to transmission capacity and the Transmission System due to operational circumstances.

5.2 Provision of EIM Transfer Capacity by an LADWP Interchange Rights Holder

The LADWP EIM Entity shall facilitate the provision of transmission capacity for EIM Transfers offered by an LADWP Interchange Rights Holder by providing the MO with information about the amounts made available by the LADWP Interchange Rights Holder for EIM Transfers. The provision of EIM Transfer capacity shall be implemented through the LADWP Interchange Rights Holder's submission of an e-Tag by 75 minutes prior to the Operating Hour ("T-75").

The LADWP Interchange Rights Holder shall include on the e-Tag the OASIS identification reservation number(s) associated with the transmission rights made available for EIM Transfers and shall also include the MO, all transmission providers, and path operators associated with the OASIS identification reservation number(s) identified on the e-Tag. The LADWP Interchange Rights Holder's rights associated with the submitted e-Tag shall be available for the EIM, subject to approval of the e-Tag by all required e-Tag approval entities. The amount made available for EIM Transfers shall never exceed the LADWP Interchange Rights Holder's transmission rights.

5.3 Provision of EIM Transfer Capability by the LADWP EIM Entity

The LADWP EIM Entity shall facilitate the provision of transmission capacity for EIM Transfers by providing the MO with information about the amounts available for EIM Transfers utilizing Available Transfer Capability ("ATC"). Such amounts shall be in addition to any amounts made available by LADWP Interchange Rights Holders pursuant to Section 5.2 of this Attachment O. The provision of EIM Transfer capacity corresponding to ATC shall be implemented by 40 minutes prior to the Operating Hour ("T-40") by the LADWP EIM Entity. The LADWP EIM Entity shall include an e-Tag, with an OASIS identification reservation number(s) created for EIM Transfers utilizing ATC, and shall also include the MO, all transmission providers, and path operators

associated with the OASIS identification reservation number(s) identified in the e-Tag. The amount of ATC indicated on the e-Tag will be based upon the lower of the amount of ATC calculated by each EIM Entity at that interface by T-40. The ATC associated with the submitted e-Tag shall be available for the EIM, subject to approval of the e-Tag by all required e-Tag approval entities.

6. System Operations Under Normal and Emergency Conditions

6.1 Compliance with Reliability Standards

Participation in the EIM shall not modify, change, or otherwise alter the manner in which the Transmission Provider operates its Transmission System consistent with applicable reliability standards, including adjustments.

Participation in the EIM shall not modify, change, or otherwise alter the obligations of the LADWP EIM Entity, Transmission Customers with LADWP EIM Participating Resources, or Transmission Customers with Non-Participating Resources to comply with applicable reliability standards.

The LADWP EIM Entity shall remain responsible for:

(i) maintaining appropriate operating reserves and for its obligations pursuant to any reserve sharing group agreements;

(ii) NERC and WECC responsibilities including, but not limited to, informing the Reliability Coordinator of issues within LADWP's BAA;

(iii) processing e-Tags and managing schedule curtailments at the interties; and

(iv) monitoring and managing real-time flows within system operating limits on all transmission facilities within LADWP's BAA, including facilities of LADWP BAA Transmission Owners. If requested by a Transmission Customer that is also an LADWP BAA Transmission Owner, the LADWP EIM Entity will provide additional information or data related to EIM operation as it may relate to facilities of an LADWP BAA Transmission Owner.

6.2 Good Utility Practice

The LADWP EIM Entity, Transmission Customers with Non-Participating Resources, and Transmission Customers with LADWP EIM Participating Resources shall comply with Good Utility Practice with respect to this Attachment O.

6.3 Management of Contingencies and Emergencies

6.3.1 EIM Disruption

If the MO declares an EIM disruption in accordance with Section 29.7(j) of the MO Tariff, the LADWP EIM Entity shall, in accordance with Section 29.7(j)(4) of the MO Tariff, promptly inform the MO of actions taken in response to the EIM disruption by providing adjustment information, updates to e-Tags, transmission limit adjustments, or outage and de-rate information, as applicable.

6.3.2 Manual Dispatch

The LADWP EIM Entity may issue a Manual Dispatch order to a Transmission Customer with an LADWP EIM Participating Resource or a Non-Participating Resource in LADWP's BAA, to address reliability or operational issues in LADWP's BAA that the EIM is not able to address through normal economic dispatch and congestion management.

The LADWP EIM Entity shall inform the MO of a Manual Dispatch as soon as possible.

7. Outages

7.1 LADWP EIM Entity Transmission Outages

7.1.1 Planned Transmission Outages and Known Derates

The LADWP EIM Entity shall submit information regarding planned transmission outages and known derates to the MO's outage management system in accordance with Section 29.9(b) of the MO Tariff. The LADWP EIM Entity shall update the submittal if there are changes to the transmission outage plan.

7.1.2 Unplanned Transmission Outages

The LADWP EIM Entity shall submit information as soon as possible regarding unplanned transmission outages or derates to the MO's outage management system in accordance with Section 29.9(e) of the MO Tariff.

7.2 LADWP BAA Transmission Owner Outages

Transmission Customers that are also LADWP BAA Transmission Owners shall provide the LADWP EIM Entity with planned and unplanned transmission outage data. Planned outages shall be reported to the LADWP EIM Entity.

The LADWP EIM Entity shall communicate information regarding planned and unplanned outages of LADWP BAA Transmission Owner facilities to the MO as soon as practicable upon receipt of the information from the LADWP BAA Transmission Owner.

7.3 LADWP EIM Participating Resource Outages

7.3.1 Planned LADWP EIM Participating Resource Outages and Known Derates

LADWP EIM Participating Resource Scheduling Coordinators shall submit information regarding planned resource outages and known derates to the LADWP EIM Entity. Planned outages and known derates shall be reported to the LADWP EIM Entity 7 or more days in advance and preferably at least 30 days in advance of the outage or known derate. The LADWP EIM Entity shall then submit this outage information to the MO's outage management system in accordance with Section 29.9(c) of the MO Tariff. LADWP EIM Participating Resource Scheduling Coordinators shall update the submittal if there are changes to the resource outage plan.

7.3.2 Unplanned LADWP EIM Participating Resource Outages or Derates

In the event of an unplanned outage required to be reported under Section 29.9(e) of the MO Tariff, the LADWP EIM Participating Resource Scheduling Coordinator is responsible for notifying the LADWP EIM Entity of required changes. Unplanned outages shall be reported to the LADWP EIM Entity as soon as possible but no later than 30 minutes after the outage commences. The LADWP EIM Entity shall then submit this information to the MO's outage management system.

Changes in availability of 10 MW or 5% of Pmax (whichever is greater) lasting 15 minutes or longer must be reported to the LADWP EIM Entity. The LADWP EIM Entity shall then submit this information to the MO's outage management system.

7.4 Outages of Transmission Customers with Non-Participating Resources

7.4.1 Planned Outages and Known Derates of Transmission Customers with Non- Participating Resources

Transmission Customers with Non-Participating Resources shall report information regarding planned outages and known derates of resources to the LADWP EIM Entity. The Transmission Customer with a Non-Participating Resource shall update the submittal if there are changes to the resource's outage plan.

The LADWP EIM Entity shall submit planned resource outages and known derates of Non- Participating Resources to the MO's outage management system in accordance with Section 29.9(c) of the MO Tariff.

7.4.2 Unplanned Outages or Derates of Resources of Transmission Customers with Non- Participating Resources

Unplanned outages of resources of a Transmission Customer with Non-Participating Resources shall be reported to the LADWP EIM Entity.

In the event of a forced outage required to be reported under Section 29.9(e) of the MO Tariff, the LADWP EIM Entity is responsible for notifying the MO of required changes through the MO's outage management system.

Changes in availability of 10 MW or 5% of the element's normal system operating limits (whichever is greater) lasting 15 minutes or longer must be reported to the LADWP EIM Entity. The LADWP EIM Entity shall then submit this information to the MO's outage management system.

8. EIM Settlements and Billing

The LADWP EIM BP shall include additional charges or charge code changes, if any, identified by CAISO or vendors.

8.0 Administrative Charges

Any charges or payments to the LADWP EIM Entity pursuant to Sections 4.5.1.1.4, 4.5.1.3, 11.22.8, and 29.11(i) of the MO Tariff for Administrative Charges not otherwise recovered under Schedule 1A shall be sub-allocated to Transmission Customers on the basis of Measured Demand:

Charge Code	Description	Allocation
4564	GMC-EIM Transaction Charge	Measured Demand
4575	SMCR – Settlements, Metering, and Client Relations	Measured Demand

8.1 Instructed Imbalance Energy (IIE)

The LADWP EIM Entity shall settle as IIE imbalances that result from (1) operational adjustments of a Transmission Customer's affected base generation schedule or Interchange, which includes changes by a Transmission Customer after T-57, (2) resource imbalances created by Manual Dispatch or an EIM Available Balancing Capacity dispatch, (3) an adjustment to resource imbalances created by adjustments to resource forecasts, or (4) other reasons IIE is calculated by the MO pursuant to Section 11.5 of the MO Tariff and using the Real Time Dispatch or Fifteen Minute Market price at the applicable PNode. Any allocations to the LADWP EIM Entity pursuant to Section 29.1 1(b)(1) and (2) of the MO Tariff for IIE shall be recovered under Schedule 9 of this Tariff:

Charge Code	Description	Allocation
64600	FMM Instructed Imbalance Energy EIM Settlement	directly allocated
64700	Real Time Instructed Imbalance Energy EIM Settlement	directly allocated

8.2 Uninstructed Imbalance Energy (UIE)

Any charges or payments to the LADWP EIM Entity pursuant to Section 29.11(b)(3)(B) and (C) of the MO Tariff for UIE shall be recovered under Schedule 4 or Schedule 9 of this Tariff:

Charge Code	Description	Allocation

64750	Real Time Uninstructed Imbalance Energy EIM Settlement	directly allocated

8.3 Unaccounted for Energy (UFE)

Any charges to the LADWP EIM Entity pursuant to Section 29.11(c) of the MO Tariff for UFE shall be sub-allocated to Transmission Customers on the basis of Measured Demand:

Charge Code	Description	Allocation
64740	Real-Time Unaccounted for EIM Energy Settlement	Measured Demand

8.4 Charges for Under-Scheduling or Over-Scheduling Load

8.4.1 Under-Scheduling Load

Any charges to the LADWP EIM Entity pursuant to Section 29.1 1(d)(1) of the MO Tariff for underscheduling load shall be assigned to the Transmission Customers subject to Schedule 4 based on each Transmission Customer's respective under-scheduling imbalance ratio share, which is the ratio of the Transmission Customer's under-scheduled load imbalance amount relative to all other Transmission Customers' under-scheduled load imbalance amounts who have under-scheduled load for the Operating Hour, expressed as a percentage as follows:

Charge Code	Description	Allocation
6045	Overscheduling and Underscheduling Charge	directly allocated

8.4.2 Over-Scheduling Load

Any charges to the LADWP EIM Entity pursuant to Section 29.1 1(d)(2) of the MO Tariff for overscheduling load shall be assigned to the Transmission Customers subject to Schedule 4 based on each Transmission Customer's respective over-scheduling imbalance ratio share, which is the ratio of the Transmission Customer's over-scheduled load imbalance amount relative to all other Transmission Customers' over-scheduled load imbalance amounts who have over-scheduled load for the Operating Hour, expressed as a percentage as follows:

Charge Code	Description	Allocation
6045	Overscheduling and Underscheduling Charge	directly allocated

8.4.3 **Distribution of Under-Scheduling or Over-Scheduling Proceeds**

Any payment to the LADWP EIM Entity pursuant to Section 29.1 1(d)(3) of the MO Tariff shall be distributed to Transmission Customers on the basis of Metered Demand and in accordance with the procedures outlined in the LADWP EIM BP:

Charge Code	**Description**	**Allocation**
6046	Under Scheduling and Over Scheduling Allocation	Metered Demand

8.5 **EIM Uplifts**

8.5.1 **EIM Entity BAA Real-Time Imbalance Energy Offset**

Any charges to the LADWP EIM Entity pursuant to Section 29.1 1(e)(3) of the MO Tariff for EIM BAA real-time imbalance energy offset be sub-allocated to Transmission Customers on the basis of Measured Demand:

Charge Code	**Description**	**Allocation**
6478	Real Time Imbalance Energy Offset – system	Measured Demand
64770	Real Time Imbalance Energy Offset EIM	Measured Demand

8.5.2 **EIM Entity BAA Real-Time Congestion Offset**

Any charges to the LADWP EIM Entity pursuant to Section 29.11 (e)(2) of the MO Tariff for the EIM real-time congestion offset shall be allocated to Transmission Customers on the basis of Measured Demand:

Charge Code	**Description**	**Allocation**
67740	Real Time Congestion Offset EIM	Measured Demand

8.5.3 **EIM Entity Real-Time Marginal Cost of Losses Offset**

Any charges to the LADWP EIM Entity pursuant to Section 29.1 1(e)(4) of the MO Tariff for real-time marginal cost of losses offset shall be sub-allocated to Transmission Customers on the basis of Measured Demand:

Charge Code	Description	Allocation
69850	Real Time Marginal Losses Offset EIM	Measured Demand

8.5.4 **EIM Neutrality Settlement**

Any charges to the LADWP EIM Entity pursuant to Section 29.11 (e)(5) of the MO Tariff for EIM neutrality settlement shall be sub-allocated on the basis of Measured Demand:

Charge Code	Description	Allocation
8989	Daily Neutrality Adjustment	Measured Demand
8999	Monthly Neutrality Adjustment	Measured Demand

8.5.5 **Real-Time Bid Cost Recovery**

Any charges to the LADWP EIM Entity pursuant to Section 29.11(f) of the MO Tariff for EIM real-time bid cost recovery shall be sub-allocated to Transmission Customers on the basis of Measured Demand:

Charge Code	Description	Allocation
66200	Bid Cost Recovery EIM Settlement	Measured Demand
66780	Real Time Bid Cost Recovery Allocation EIM	Measured Demand

8.5.6 **Flexible Ramping Product**

Any charges or payments to the LADWP EIM Entity pursuant to Section 29.11(p) of the MO Tariff for the Flexible Ramping Product shall be sub-allocated to Transmission Customers on the basis on the basis of Measured Demand:

Charge Code	Description	Allocation

7070	Flexible Ramp Forecasted Movement Settlement	Measured Demand
7076	Flexible Ramp Forecasted Movement Allocation	Measured Demand
7077	Daily Flexible Ramp Up Uncertainty Award Allocation	Measured Demand
7078	Monthly Flexible Ramp Up Uncertainty Award Allocation	Measured Demand
7087	Daily Flexible Ramp Down Uncertainty Award Allocation	Measured Demand
7088	Monthly Flexible Ramp Down Uncertainty Award Allocation	Measured Demand

8.5.7 **Inaccurate or Late Actual Settlement Quality Meter Data Penalty**

To the extent the LADWP EIM Entity incurs a penalty for inaccurate or late actual settlement quality meter data, pursuant to Section 37.11.1 of the MO Tariff, the LADWP EIM Entity shall directly assign the penalty to the offending Transmission Customer. Specifically, the charge is identified and allocated as follows:

Charge Code	**Description**	**Allocation**
1591	EP Penalty Charge due CAISO Trustee	directly allocated
1592	EP Penalty Allocation Payment	LADWP EIM Entity

8.5.8 **Other EIM Settlement Provisions**

Any charges to the LADWP EIM Entity pursuant to the MO Tariff for the EIM settlement shall be sub-allocated. The charges shown in the following table shall be sub-allocated as follows:

Charge Code	**Description**	**Allocation**
7989	Invoice Deviation (distribution and allocation)	LADWP EIM Entity
7999	Invoice Deviation Interest Allocation	LADWP EIM Entity
2999	Default Invoice Interest Payment	LADWP EIM Entity
3999	Default Invoice Interest Charge	LADWP EIM Entity
5024	Invoice Late Payment Penalty	LADWP EIM Entity
5025	Financial Security Posting (Collateral) Late Payment Penalty	LADWP EIM Entity
5900	Shortfall Receipt Distribution	LADWP EIM Entity

5901	Shortfall Allocation Reversal	LADWP EIM Entity
5910	Shortfall Allocation	LADWP EIM Entity
5912	Default Loss Allocation	LADWP EIM Entity
8526	Generator Interconnection Process GIP Forfeited Deposit Allocation	LADWP EIM Entity
6196	Spinning Reserve Neutrality Allocation	LADWP EIM Entity
6296	Non-Spinning Reserve Neutrality Allocation	LADWP EIM Entity

8.6 **MO Tax Liabilities**

Any charges to the LADWP EIM Entity pursuant to Section 29.22(a) of the MO Tariff for MO tax liability as a result of the EIM shall be sub-allocated to those Transmission Customers triggering the tax liability.

8.7 **EIM Transmission Service Charges**

There shall be no incremental transmission charge assessed for transmission use related to the EIM.

Participating Resources and Balancing Authority Area Resources will not incur unreserved use charges solely as a result of EIM Dispatch Instruction. Schedule 11 of this Tariff shall apply to any amount of actual metered generation in an Operating Hour, if any, which is in excess of the sum of both: (1) the greatest positive Dispatch Operating Point or Manual Dispatch of the LADWP EIM Participating Resource received during the Operating Hour, and (2) the Transmission Customer's Reserved Capacity. Any ancillary service charges that are applicable to Schedule 11 charges shall apply and shall include Schedules 1 and 1A of this Tariff.

8.8 **Variable Energy Resource Forecast Charge**

Any costs incurred by the LADWP EIM Entity related to the preparation and submission of resource Forecast Data for a Transmission Customer with a Non-Participating Resource electing either method (1) or (2), as set forth in Section 4.2.4.2 of this Attachment O, shall be allocated to the Transmission Customer with a Non-Participating Resource electing to use either such method.

For a Transmission Customer with a Non-Participating Resource electing method (3), as set forth in Section 4.2.4.2 of this Attachment O, any charges to the LADWP EIM Entity pursuant to Section 29.1 1(j)(1) of the MO Tariff for Variable Energy Resource forecast

charges shall be sub allocated to the Transmission Customer with a Non-Participating Resource requesting such forecast as follows:

Charge Code	Description	Allocation
701	Forecasting Service Fee	directly allocated

8.9 **EIM Payment Calendar**

Pursuant to Section 29.11(l) of the MO Tariff, the LADWP EIM Entity shall be subject to the MO's payment calendar for issuing settlement statements, exchanging invoice funds, submitting meter data, and submitting settlement disputes to the MO. The LADWP EIM Entity shall follow Section 7 of this Tariff for issuing invoices regarding the EIM.

8.10 **EIM Residual Balancing Account**

To the extent that MO EIM-related charges or payments to the LADWP EIM Entity are not captured elsewhere in Attachment H, Schedules 1, 1A, 4, and 9 of this Tariff, or this Section 8, those charges or payments shall be placed in a balancing account, with interest accruing at the rate established in 18 C.F.R. § 35.19(a)(2)(iii), until modified by the Transmission Provider's Board of Commissioners and Los Angeles City Council.

8.11 **Market Validation and Price Correction**

If the MO modifies the LADWP EIM Entity settlement statement in accordance with the MO's market validation and price correction procedures in the MO Tariff, the LADWP EIM Entity reserves the right to make corresponding or similar changes to the charges and payments sub-allocated under this Attachment O.

8.12 **Allocation of Operating Reserves**

Any payments or charges to the LADWP EIM Entity pursuant to Section 29.11(n)(1) or 29.11(n)(2) of the MO Tariff for operating reserve obligations shall not be sub-allocated to Transmission Customers:

Charge Code	Description	Allocation
6194	Spinning Reserve Obligation Settlement	LADWP EIM Entity
6294	Non-Spinning Reserve Obligation Settlement	LADWP EIM Entity

9. Compliance

9.1 Provision of Data

Transmission Customers with LADWP EIM Participating Resources and LADWP EIM Participating Resource Scheduling Coordinators are responsible for complying with information requests they receive directly from the EIM market monitor or regulatory authorities concerning EIM activities.

A Transmission Customer with LADWP EIM Participating Resources or a Transmission Customer with Non-Participating Resources must provide the LADWP EIM Entity with all data necessary to respond to information requests received by the LADWP EIM Entity from the MO, the EIM market monitor, or regulatory authorities concerning EIM activities.

If the LADWP EIM Entity is required by applicable laws or regulations, or in the course of administrative or judicial proceedings, to disclose information that is otherwise required to be maintained in confidence, the LADWP EIM Entity may disclose such information; provided, however, that upon the LADWP EIM Entity learning of the disclosure requirement and, if possible, prior to making such disclosure, the LADWP EIM Entity shall notify any affected party of the requirement and the terms thereof. The party can, at its sole discretion and own cost, direct any challenge to or defense against the disclosure requirement. The LADWP EIM Entity shall cooperate with the affected party to obtain proprietary or confidential treatment of confidential information by the person to whom such information is disclosed prior to any such disclosure.

The LADWP EIM Entity shall treat all Transmission Customer and Interconnection Customer data and information provided to it as market-sensitive and confidential, unless the LADWP EIM Entity is otherwise allowed or required to disclose. The LADWP EIM Entity shall continue to abide by the Commission's Standards of Conduct and handle customer information accordingly.

9.2 Rules of Conduct

These rules of conduct are intended to provide fair notice of the conduct expected and to provide an environment in which all parties may participate in the EIM on a fair and equal basis.

Transmission Customers must:

(i) Comply with Dispatch Instructions and LADWP EIM Entity operating orders in accordance with Good Utility Practice. If some limitation prevents the Transmission Customer from fulfilling the action requested by the MO or the LADWP EIM Entity, the Transmission Customer must immediately and directly communicate the nature of any such limitation to the LADWP EIM Entity;

(ii) Submit bids for resources that are reasonably expected to both be and remain available and capable of performing at the levels specified in the bid, based on all information that is known or should have been known at the time of submission;

(iii) Notify the MO and/or the LADWP EIM Entity, as applicable, of outages in accordance with Section 7 of this Attachment O;

(iv) Provide complete, accurate, and timely meter data to the LADWP EIM Entity in accordance with the metering and communication requirements of this Tariff and maintain responsibility to ensure the accuracy of such data communicated by any customer-owned metering or communications systems. To the extent such information is not accurate or timely when provided to the LADWP EIM Entity, the Transmission Customer shall be responsible for any consequence on settlement and billing;

(v) Provide information to the LADWP EIM Entity, including the information requested in Sections 4.2.1, 4.2.2, 4.2.3, 4.2.4 and 9.1 of this Attachment O, by the applicable deadlines; and

(vi) Utilize commercially reasonable efforts to ensure that forecasts are accurate and based on all information that is known or should have been known at the time of submission to the LADWP EIM Entity.

9.3 **Enforcement**

The LADWP EIM Entity may refer a violation of Section 9.2 of this Attachment O to its Board of Commissioners and/or the MO for further action.

10. **Market Contingencies**

10.1 **Temporary Suspension by the MO**

In the event that the MO implements a temporary suspension in accordance with Section 29.1 (d)(1) of the MO Tariff, including the actions identified in Section 29.1 (d)(5), the

LADWP EIM Entity shall utilize Schedules 4A, 9A, 11, 12A and Sections 15.7 and 28.5 of LADWP Tariff until the temporary suspension is no longer in effect or, if the MO determines to extend the suspension, for a period of time sufficient to process termination of the LADWP EIM Entity's participation in the EIM in accordance with Section 29.1(d)(2) of the MO Tariff.

10.2 Termination of Participation in EIM by the LADWP EIM Entity

If the LADWP EIM Entity submits a notice of termination of its participation in the EIM to the MO in accordance with the applicable agreements and Section 4.1.1.5 of this Attachment O, in order to mitigate price exposure during the 180-day period between submission of the notice and the termination effective date, the LADWP EIM Entity may invoke the following corrective actions by requesting that the MO:

(i) prevent EIM Transfers and separate the LADWP EIM Entity's BAA from operation of the EIM in the EIM Area; and

(ii) suspend settlement of EIM charges with respect to the LADWP EIM Entity. Once such corrective actions are implemented by the MO, the LADWP EIM Entity shall utilize Schedules 4A, 9A, and Sections 15.7 and 28.5 of LADWP's Tariff.

If the LADWP EIM Entity takes action under this Section 10.2, the LADWP EIM Entity shall notify the MO and Transmission Customers.

10.3 Corrective Actions Taken by the LADWP EIM Entity for Temporary Contingencies

The LADWP EIM Entity may declare a temporary contingency and invoke corrective actions for the EIM when in its judgment -

(i) operational circumstances (including a failure of the EIM to produce feasible results in LADWP's BAA) have caused or are in danger of causing an abnormal system condition in LADWP's BAA that requires immediate action to prevent loss of load, equipment damage, or tripping system elements that might result in cascading outages, or to restore system operation to meet the applicable Reliability Standards and reliability criteria established by NERC and WECC; or

(ii) communications between the MO and the LADWP EIM Entity are disrupted and prevent the LADWP EIM Entity, the LADWP EIM Entity Scheduling

Coordinator, or an LADWP EIM Participating Resource Scheduling Coordinator from accessing MO systems to submit or receive information.

10.3.1 **Corrective Actions for Temporary Contingencies**

If either of the above temporary contingencies occurs, the LADWP EIM Entity may invoke the following corrective actions by requesting that the MO:

(i) prevent EIM Transfers and separate the LADWP EIM Entity's BAA from operation of the EIM in the EIM Area; and/or

(ii) suspend settlement of EIM charges with respect to the LADWP EIM Entity.

When corrective action under 10.3.1 (2) is implemented or if the MO Tariff requires the use of these temporary schedules to set an administrative price, the LADWP EIM Entity shall utilize Schedules 4A, 9A, and Sections 15.7 and 28.5 of LADWP's Tariff.

If the LADWP EIM Entity takes action under this Section 10.3, the LADWP EIM Entity shall notify the MO and Transmission Customers. The LADWP EIM Entity and the MO shall cooperate to resolve the temporary contingency event and restore full EIM operations as soon as is practicable.

ATTACHMENT P

Transmission Line Ratings

Proposed Effective Date: Three years from the date this Attachment P is approved by the governance bodies of LADWP, including the Los Angeles City Council.

General:

The Transmission Provider will implement Transmission Line Ratings on the transmission lines over which it provides Transmission Service, as provided below.

Definitions:

The following definitions apply for purposes of this Attachment:

(1) "Transmission Line Rating" means the maximum transfer capability of a transmission line, computed in accordance with a written Transmission Line Rating 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, line traps, and transformers.

(2) "Ambient-Adjusted Rating" (AAR) means a Transmission Line Rating that:

(a) Applies to a time period of not greater than one hour.

(b) Reflects an up-to-date forecast of ambient air temperature across the time period to which the rating applies.

(c) Reflects the absence of solar heating during nighttime periods, where the local sunrise/sunset times used to determine daytime and nighttime periods are updated at least monthly, if not more frequently.

(d) Is calculated at least each hour, if not more frequently.

(3) "Seasonal Line Rating" means a Transmission Line Rating that:

(a) Applies to a specified season, where seasons are defined by the Transmission Provider to include not fewer than four seasons in each year, and to reasonably reflect portions of the year where expected high temperatures are relatively consistent.

(b) Reflects an up-to-date forecast of ambient air temperature across the relevant season over which the rating applies.

(c) Is calculated annually, if not more frequently, for each season in the future for which Transmission Service can be requested.

(4) "Near-Term Transmission Service" means 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 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.

(5) "Emergency Rating" means 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.

System Reliability:

If the 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 the Transmission Provider may use such an alternate rating. The 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.

Obligations of Transmission Provider:

The Transmission Provider will have the following obligations.

The Transmission Provider must use AARs as the relevant Transmission Line Ratings when performing any of the following functions: (1) evaluating requests for Near-Term Transmission Service; (2) responding to requests for information on the availability of potential Near-Term Transmission Service (including requests for ATC or other information related to potential service); or (3) posting ATC or other information related to Near-Term Transmission Service to the Transmission Provider's OASIS site or another password-protected website.

The Transmission Provider must use AARs as the relevant Transmission Line Ratings when determining whether to curtail (under section 13.6) Firm Point-To-Point Transmission Service or when determining whether to curtail and/or interrupt (under section 14.7) Non-Firm Point-To-Point Transmission Service if such curtailment and/or interruption is both necessary because of issues related to flow limits on transmission lines and anticipated to occur (start and end) within 10 days of such determination. For determining whether to curtail or interrupt Point-To-Point Transmission Service in other situations, the Transmission Provider must use Seasonal Line Ratings as the relevant Transmission Line Ratings.

The Transmission Provider must use AARs as the relevant Transmission Line Ratings when determining whether to curtail (under section 33) or redispatch (under sections 30.5 and/or 33) Network Integration Transmission Service or secondary service if such curtailment or redispatch is both necessary because of issues related to flow limits on transmission lines and anticipated to occur (start and end) within 10 days of such determination. For determining the necessity of curtailment or redispatch of Network Integration Transmission Service or

secondary service in other situations, the Transmission Provider must use Seasonal Line Ratings as the relevant Transmission Line Ratings.

The Transmission Provider must use Seasonal Line Ratings as the relevant Transmission Line Ratings when evaluating requests for and whether to curtail, interrupt, or redispatch 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. The Transmission Provider must use Seasonal Line Ratings as a recourse rating in the event that an AAR otherwise required to be used under this Attachment is unavailable.

The Transmission Provider must use uniquely determined Emergency Ratings for contingency analysis in the operations horizon and in post-contingency simulations of constraints. Such uniquely determined Emergency Ratings must also include separate AAR calculations for each Emergency Rating duration used.

In developing forecasts of ambient air temperature for AARs and Seasonal Line Ratings, the Transmission Provider must develop such forecasts consistent with Good Utility Practice and on a non-discriminatory basis.

Postings to OASIS or another password-protected website: The 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: The 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 (1) above.

Exceptions: Where the Transmission Provider determines, consistent with Good Utility Practice, that the Transmission Line Rating of a transmission line is not affected by ambient air temperature or solar heating, the Transmission Provider may use a Transmission Line Rating for that transmission line that is not an AAR or Seasonal Line Rating. Examples of such a transmission line may include (but are not limited to): (1) a transmission line for which the technical transfer capability of the limiting conductors and/or limiting transmission equipment is not dependent on ambient air temperature or solar heating; or (2) a transmission line whose transfer capability is limited by a Transmission System limit (such as a system voltage or stability limit) which is not dependent on ambient air temperature or solar heating. The Transmission Provider must document in its database of Transmission Line Ratings and Transmission Line Rating methodologies on OASIS or another password-protected website any exceptions to the requirements contained in this Attachment initiated under this paragraph, including the nature of and basis for each exception, the date(s) and time(s) that the exception was initiated, and (if applicable) the date(s) and time(s) that each exception was withdrawn and the standard rating became effective again. If the technical basis for an exception under this paragraph changes, then the Transmission Provider must update the relevant Transmission Line Rating(s) in a timely manner. The Transmission Provider must reevaluate any exceptions taken under this paragraph at least every five years.

Attachment C

Redline version of LADWP's OATT (in PDF format)

OPEN ACCESS

TRANSMISSION TARIFF

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I. COMMON SERVICE PROVISIONS

1 Definitions

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 the 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 the 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 load Interchange-generation balance within a BAA, 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 BA. The BA maintains load-resource balance within this area. For purposes of this Tariff, "BAA" shall have the same meaning as "Control Area."

1.7 Balancing Authority Area Resource:

A resource owned by LADWP, or voluntarily contracted for by LADWP to provide EIM Available Balancing Capacity, that can provide regulation and load following services to enable the LADWP EIM Entity to meet reliability criteria. No resource unaffiliated with the LADWP EIM Entity shall be a Balancing Authority Area Resource solely on the basis of one or more of the following reasons:

1. the resource is a Designated Network Resource;
2. the resource flows on a Point-to-Point Transmission Service reservation; and/or

3. the resource is an Interconnection Customer under the Tariff.

1.8 Bid Cost Recovery (BCR):

The MO EIM settlements process through which LADWP EIM Participating Resources recover their bid costs.

1.8A Bookout:

A transaction in which energy or capacity contractually committed bilaterally for delivery is not actually delivered due to some offsetting or countervailing trade.

1.9 California Independent System Operator Corporation (CAISO):

A state-chartered, California non-profit public benefit corporation that operates the transmission facilities of all CAISO participating transmission owners and dispatches certain generating units and loads. The CAISO is the MO for the EIM.

1.10 CAISO BAA or CAISO Controlled Grid:

The system of transmission lines and associated facilities of the CAISO participating transmission owners that have been placed under the CAISO's operational control.

1.11 Commission:

The Federal Energy Regulatory Commission.

1.12 Completed Application:

An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.

1.13 Control Area:

An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

1. match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
2. maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
3. maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
4. provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

1.14 Curtailment:

A reduction in firm or non-firm transmission service in response to a transfer capability shortage as a result of system reliability conditions.

1.15 Delivering Party:

The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

1.16 Designated Agent:

Any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer, or the Transmission Customer required under the Tariff.

1.17 Direct Assignment Facilities:

Facilities or portions of facilities that are constructed by the 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 the Transmission Customer.

1.18 Dispatch Instruction:

An instruction by the MO for an action with respect to a specific LADWP EIM Participating Resource or Balancing Authority Area Resource for

increasing or decreasing its energy supply or demand.

1.19 Dispatch Operating Point:

The expected operating point, in MW, of an LADWP EIM Participating Resource that has received a Dispatch Instruction from the MO or a Balancing Authority Area Resource to which the LADWP EIM Entity has relayed a Dispatch Instruction received from the MO. For purposes of Attachment O of this Tariff, the Dispatch Operating Point means the MW output, of

i. an LADWP EIM Participating Resource due to an EIM bid being accepted and the LADWP EIM Participating Resource receiving a Dispatch Instruction; or

ii. a Balancing Authority Area Resource for which a Dispatch Instruction has been issued by the CAISO with respect to EIM Available Balancing Capacity.

1.20 Dynamic Transfer:

The provision of the real-time monitoring, telemetering, computer software, hardware, communications, engineering, energy accounting (including inadvertent Interchange), and administration required to electronically move all or a portion of the real energy services associated with a generator or load out of one BAA into another. A Dynamic Transfer can be either:

1. a Dynamic Schedule: a telemetered reading or value that is updated in

real time and used as a schedule in the AGC/ACE equation and the integrated value of which is treated as an after-the-fact schedule for Interchange accounting purposes; or

2. a Pseudo-Tie: a functionality by which the output of a generating unit physically interconnected to the electric grid in a native BAA is telemetered to and deemed to be produced in an attaining BAA that provides BA services for and exercises BA jurisdiction over the generating unit.

1.21 e-Tag:

An electronic tag associated with a schedule in accordance with the requirements of the North American Electric Reliability Corporation (NERC), the Western Electricity Coordinating Council (WECC), or the North American Energy Standards Board (NAESB).

1.22 EIM:

The Energy Imbalance Market. The real-time market to manage transmission congestion and optimize procurement of imbalance energy (positive or negative) to balance supply and demand deviations for the EIM Area through economic bids submitted by EIM Participating Resource Scheduling Coordinators in the fifteen-minute and five-minute markets.

1.23 EIM Area:

The combination of LADWP EIM Entity BAA, the CAISO BAA, and the BAAs of any other EIM Entities.

1.24 EIM Available Balancing Capacity:

Any upward or downward capacity from a Balancing Authority Area Resource that has not been bid into the EIM and is included in the LADWP EIM Entity's Resource Plan.

1.25 EIM Entity:

A BA, other than the LADWP EIM Entity, that enters into the MO's pro forma EIM Entity Agreement to enable the EIM to occur in its BAA.

1.26 EIM Transfer:

The transfer of real-time energy resulting from an EIM Dispatch Instruction:

1. between the LADWP EIM Entity BAA and the CAISO BAA;
2. between the LADWP EIM Entity BAA and an EIM Entity BAA; or
3. between the CAISO BAA and an EIM Entity BAA using transmission capacity available in the EIM.

1.27 Eligible Customer:

i. Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person

generating electric energy for sale for resale is an Eligible Customer under the Tariff~~; provided, however, an Eligible Customer satisfies the creditworthiness procedures set forth in Attachment L and meets the creditworthiness requirements prior to any transaction with Transmission Provider.~~. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider.

ii. Any retail customer taking unbundled transmission service pursuant to a state requirement that the Transmission Provider offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer under the Tariff.

~~iii. Any entity without a Service Agreement but determined to be engaged in an Unreserved Use of the transmission system is an Eligible Customer under the Tariff.~~

1.27A Emergency:

Any abnormal system condition that requires automatic or immediate manual action to prevent or limit the failure of transmission facilities or generation supply that could adversely affect the reliability of the Transmission Provider's or a third party's Transmission System.

1.28 Facilities Study:

An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service.

1.29 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.

1.30 Flexible Ramping Product:

The costs associated with meeting a requirement, established by the MO, that may be enforced in the MO's EIM optimization to ensure that the unit commitment or dispatch of resources for intervals beyond the applicable commitment or dispatch period provide for the availability of required

capacity for dispatch in subsequent real-time dispatch intervals.

1.31 Flexible Ramping Forecast Movement:

A resource's change in forecasted output between market intervals for purposes of the Flexible Ramping Product.

1.32 Flexible Ramping Uncertainty Award:

A resource's award for meeting a Flexible Ramping Uncertainty Requirement under the Flexible Ramping Product.

1.33 Flexible Ramping Uncertainty Requirement:

Flexible ramping capability to meet the Flexible Ramping Product requirements established by the MO.

1.34 Forecast Data:

Information provided by Transmission Customers regarding expected load (as determined pursuant to Section 4.2.4.3 of Attachment O of this Tariff), generation, Intrachange, and Interchange, as specified in Section 4.2.4 of Attachment O and the LADWP EIM BP. The Transmission Customer Base Schedule includes Forecast Data that is used by the LADWP EIM Entity as the baseline by which to measure Imbalance Energy for purposes of EIM settlement.

1.35 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).

1.36 Imbalance Energy:

The deviation of supply or demand from the Transmission Customer Base Schedule, positive or negative, as measured by metered generation, metered load, or real-time Interchange or Intrachange schedules.

1.37 Instructed Imbalance Energy (IIE):

There are three scenarios that can lead to settlement of imbalance as IIE:

1. operational adjustments of the Transmission Customer's affected Interchange or Intrachange, which includes changes by the Transmission Customer after T-57,
2. resource imbalances created by Manual Dispatch or an EIM Available

Balancing Capacity dispatch, or

3. an adjustment to resource imbalances created by adjustments to resource forecasts pursuant to Section 11.5 of the MO Tariff.

1.38 Interchange:

E-Tagged energy transfers from, to, or through the LADWP EIM Entity BAA or other BAAs, not including EIM Transfers.

1.39 Interconnection Customer:

Any Eligible Customer (or its Designated Agent) that executes an agreement to receive generation interconnection service pursuant to Attachments M or N of this Tariff.

1.40 Interruption:

A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.

1.41 Intrachange:

E-Tagged energy transfers within the LADWP EIM Entity BAA, not including real-time actual energy flows associated with EIM Dispatch Instructions.

1.42 LADWP:

Refers to Los Angeles Department of Water and Power Transmission

Provider.

1.43 LADWP BAA:

Refers to the BAA operated by LADWP Transmission Provider.

1.44 LADWP BAA Transmission Owner:

A transmission owner, other than the LADWP EIM Entity, who owns transmission facilities in LADWP's BAA.

1.45 LADWP EIM Business Practice (LADWP EIM BP):

The business practice posted on LADWP's OASIS that contains procedures related to LADWP's implementation of EIM.

1.46 LADWP EIM Entity:

The Transmission Provider in performance of its role as an EIM Entity under the MO Tariff and this Tariff, including, but not limited to, Attachment O.

1.47 LADWP EIM Entity BAA:

The collection of generation, transmission, and loads within the LADWP BAA modeled in the EIM with the MO for the LADWP EIM Entity which modeling excludes any generation, transmission and loads not served under this Tariff.

1.48 LADWP EIM Entity Scheduling Coordinator:

The Transmission Provider or the entity selected by the Transmission Provider

who is certified by the MO and who enters into the MO's pro forma EIM Entity Scheduling Coordinator Agreement.

1.49 LADWP EIM Participating Resource:

A resource or a portion of a resource:

1. that has been certified in accordance with Attachment O by the LADWP EIM Entity as eligible to participate in the EIM; and
2. for which the generation owner and/or operator enters into the MO's pro forma EIM Participating Resource Agreement.

1.50 LADWP EIM Participating Resource Scheduling Coordinator:

A Transmission Customer with one or more LADWP EIM Participating Resource(s) or a third-party designated by the Transmission Customer with one or more LADWP EIM Participating Resource(s), that is certified by the MO and enters into the MO's pro forma EIM Participating Resource Scheduling Coordinator Agreement.

1.51 LADWP Interchange Rights Holder:

A Transmission Customer who has informed the LADWP EIM Entity that it is electing to make reserved firm transmission capacity available for EIM Transfers without compensation.

1.52 Load Aggregation Point (LAP):

A set of Pricing Nodes that is used for the submission of bids and settlement of demand in the EIM.

1.53 Load Ratio Share:

Ratio of a Transmission Customer's Network Load to the 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.

1.54 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.

1.55 Locational Marginal Price (LMP):

The marginal cost ($/MWh) of serving the next increment of demand at that PNode consistent with existing transmission constraints and the performance characteristics of resources.

1.56 Long-Term Firm Point-To-Point Transmission Service:

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term ~~greater than~~of one year or more.

1.57 Manual Dispatch:

An operating order issued by the LADWP EIM Entity to a Transmission Customer with an LADWP EIM Participating Resource or a Non-Participating Resource in the LADWPEIM Entity BAA, outside of the EIM optimization, when necessary to address reliability or operational issues in the LADWP EIM Entity BAA that the EIM is not able to address through economic dispatch and congestion management.

1.58 Market Operator (MO):

The entity responsible for operation, administration, settlement, and oversight of the EIM.

1.59 Measured Demand:

Measured Demand includes (1) Metered Demand, plus (2) e-Tagged export volumes sourced from the LADWP EIM Entity BAA, and (3) e-Tagged volumes wheeling through the LADWP EIM Entity BAA. Measured Demand excludes e-Tagged volumes from generating resources pseudo-tied out of the LADWP EIM Entity BAA and EIM Transfers.

1.60 Metered Demand:

Metered load volumes in the LADWP EIM Entity BAA.

1.61 MO Tariff:

Those portions of the MO's approved tariff (as cited in the LADWP EIM BP), as such tariff may be modified from time to time, that specifically apply to the operation, administration, settlement, and oversight of the EIM.

1.62 Native Load Customers:

The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.

1.63 Network Customer:

An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III of the Tariff.

1.64 Network Integration Transmission Service:

The transmission service provided under Part III of the Tariff.

1.65 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, the 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.

1.66 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.

1.67 Network Operating Committee:

A group made up of representatives from the Network Customer(s) and the 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.

1.68 Network Resource:

Any designated generating resource owned, purchased or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program or output associated with an EIM Dispatch Instruction.

1.69 Network Upgrades:

Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.

1.70 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.

1.71 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.

1.72 Non-Participating Resource:

A resource in the LADWP EIM Entity BAA that is not an LADWP EIM Participating Resource.

1.73 Open Access Same-Time Information System (OASIS):

The information system and standards of conduct contained in Part 37 of the Commission's regulations and all additional requirements implemented by the Transmission Provider dealing with OASIS.

1.74 Operating Hour:

The hour when the EIM runs and energy is supplied to load.

1.75 Pacific Prevailing Time or PPT:

The local time in Los Angeles, California.

1.76 Part I:

Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.

1.77 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.

1.78 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.

1.79 Parties:

The Transmission Provider and the Transmission Customer receiving service under the Tariff.

1.80 Point(s) of Delivery:

Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the 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.

1.81 Point(s) of Receipt:

Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the 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.

1.82 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.

1.83 Power Purchaser:

The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

1.84 Pre-Confirmed Application:

An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

1.85 Preschedule Day:

The preschedule day identified in WECC's Approved Preschedule Calendar

for the given calendar year.

1.86 Pricing Node (PNode):

A single network node or subset of network nodes where a physical injection or withdrawal is modeled by the MO and for which the MO calculates an LMP that is used for financial settlements by the MO and the LADWP EIM Entity.

1.87 Real Power Losses:

Electrical losses associated with the use of the Transmission Provider's Transmission System and, where applicable, the use of the Transmission Provider's distribution system. Such losses are provided for in Sections 15.7 and 28.5 of the Tariff and settled financially under Schedule 12.

1.88 Receiving Party:

The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

1.89 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.

1.90 Reserved Capacity:

The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the 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.

1.91 Resource Plan:

The combination of load, resource and Interchange components of the Transmission Customer Base Schedule, ancillary services plans of the LADWP EIM Entity, bid ranges submitted by LADWP EIM Participating Resources, and the EIM Available Balancing Capacity of Balancing Authority Area Resources.

1.92 Service Agreement:

The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.

1.93 Service Commencement Date:

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

1.94 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 ~~or less~~.

1.94A Substitute Designated Network Resource:

A resource not previously designated by a Network Customer under Section ~~29.2~~29.2 that (1) goes to physical delivery to serve the Network Customer's Network Load, (2) solely as a result of a Bookout involving a Network Resource executed during the day prior to commencement of service, and (3) uses the transmission path previously reserved for the booked out Network Resource pursuant to Section ~~29~~29 of the Tariff to deliver power to the Network Customer's Network Load.

1.95 System Condition

A specified condition on the 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 the Transmission Customer's Service Agreement.

1.96 System Impact Study:

An assessment by the 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.

1.97 Tariff:

This Open Access Transmission Tariff as may be amended from time to time.

1.98 Third-Party Sale:

Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.

1.99 Transmission Customer:

Any Eligible Customer (or its Designated Agent) that executes a Service Agreement. 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.

1.100 Transmission Customer Base Schedule:

An energy schedule that provides Transmission Customer hourly-level Forecast Data and other information that is used by the LADWP EIM Entity as the baseline by which to measure Imbalance Energy for purposes of EIM settlement. The term "Transmission Customer Base Schedule" as used in this Tariff may refer collectively to the components of such schedule (resource, Interchange, Intrachange, and load determined pursuant to Section 4.2.4.3 of Attachment O) or any individual components of such schedule.

1.101 Transmission Provider:

The transmitting utility (or its Designated Agent) that owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides transmission service under the Tariff.

1.102 Transmission Provider's Monthly Transmission System Peak:

The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.

1.103 Transmission Service:

Point-To-Point Transmission Service provided under Part II of the Tariff on a

firm and non-firm basis.

1.104 Transmission System:

The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of the Tariff.

1.105 Uninstructed Imbalance Energy (UIE):

For Non-Participating Resources in an EIM Entity BAA, the MO shall calculate UIE as either: (1) the algebraic difference between the resource's 5-minute meter data and the resource component of the Transmission Customer Base Schedule, or, if applicable, (2) the 5-minute meter data and any Manual Dispatch or EIM Available Balancing Capacity dispatch.

For Transmission Customers with load in the LADWP EIM Entity BAA, the LADWP EIM Entity shall calculate UIE as the algebraic difference between the Transmission Customer's actual hourly load and the Transmission Customer Base Schedule.

1.106 Unreserved Use:

Unreserved Use shall have the meaning ascribed in Section 13.4 of the Tariff.

1.107 Variable Energy Resource:

A device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or

operator; and (3) has variability that is beyond the control of the facility owner or operator.

2 Initial Allocation and Renewal Procedures

2.1 Initial Allocation of Available Transfer Capability

For purposes of determining whether existing capability on the 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) day period commencing with the effective date of the Tariff will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 13.2.

2.2 Continuation of Service

Subject to the Service Agreement term limitations in Section 13.1 and Section 28.1A, existing firm service customers (wholesale requirements and transmission-only, with a contract term greater than one year), have the right to continue to take transmission service from the Transmission Provider when

the contract expires, rolls over or is renewed; provided, however, the total term for any Service Agreement, including all renewal options, is limited to three (3) years, unless:

2.2.1 In the reasonable but exclusive determination of Transmission Provider, the Eligible Customer has satisfied the requirements of the Governmental Person Use Certification and the requirements of Section 5.2 of this Tariff; or

2.2.2 The Transmission Provider and a firm service customer with a contract term of two (2) years or more have mutually agreed to add the following automatic renewal option to the initial Transmission Service Agreement:

> "**Automatic renewal option**": This TSA will automatically renew for an additional term of two (2) years, unless either Party notifies the other party of the termination of this automatic renewal option on or before the date that is one (1) year prior the last day of the initial term of the TSA, and one (1) year prior to the last day of each subsequent term of the TSA thereafter"; or

The applicable transmission service contract specifies otherwise, provided that in the reasonable but exclusive determination of Transmission Provider, such contract does not jeopardize the tax-exempt status of any municipal bond(s)

used to finance the Transmission Provider's facilities that would be used in providing such transmission service.

2.3 Competing Requests

This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the 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 requesting service (up to three (3) years in duration) and be willing to pay the current rate for such service, as approved by the Transmission Provider's Board of Commissioners and the Los Angeles City Council for such service; provided that, the firm service customer (i) shall have a right of first refusal at the end of such service only if the Transmission Customer has not exhausted its three (3) year Service Agreement limitation and (ii) may only renew the service for a period such that the total term of the Service Agreement, including all renewal options, does not exceed three (3) years, unless in the reasonable but exclusive determination of Transmission Provider, the Eligible Customer has satisfied the requirements of the Governmental Person Use Certification and the

requirements of Section 5.2 of this Tariff; or the Transmission Provider and a firm service customer with a contract term of two (2) years or more have mutually agreed to add the automatic renewal option set forth in Section 2.2.2 of this Tariff to the initial Transmission Service Agreement. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than six (6) months 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 ~~greater than~~of one year or longer.

2.4 Prior Service Agreements

Service agreements entered into prior to the effective date of this Tariff, unless terminated, will be subject to the renewal procedures above on the first roll over date after the effective date of this Tariff; except that, if the service agreement includes provisions governing continuation, renewal, or extension of service upon expiration of service agreement, then those terms shall govern, provided that in the reasonable but exclusive determination of Transmission Provider such continuation, renewal, or extension would not jeopardize the tax-exempt status of any municipal bond(s) used to finance the

Transmission Provider's facilities that would be used in providing such transmission service.

3 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), and the 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.

The Transmission Provider is required to offer to provide (or offer to arrange with the local Control Area operator as discussed below) the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Control Area (i) Regulation and Frequency Response~~, (ii) Energy Imbalance and Frequency Response Service~~ or Generator Regulation and Frequency Response Service, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, and (iv) Operating Reserve - Supplemental. The Transmission Customer serving load within the Transmission Provider's Control Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), to the extent it is physically feasible to do so from its resources or from resources available to it, Generator Imbalance Service when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer using Transmission Service to deliver energy from a generator located within the Transmission Provider's Control Area is required to acquire Generator Imbalance Service, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider. A Transmission Customer that exceeds its firm 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 that were provided by the Transmission Provider associated with the unreserved service pursuant to Schedule 11. The Transmission Customer or

Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.

If the Transmission Provider is a transmitting utility providing transmission service but is not a Control Area operator for any segment of the transmission path, it may be unable to provide some or all of the Ancillary Services. In this case, the Transmission Provider can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services from the Control Area operator. The Transmission Customer may elect to (i) have the Transmission Provider act as its agent, (ii) secure the Ancillary Services directly from the Control Area operator, or (iii) secure the Ancillary Services (discussed in Schedules 3, 4, 5, 6, 9, and 10) from a third party or by self-supply when technically feasible.

The Transmission Provider ~~specifies~~shall specify the rate treatment and all related terms and conditions in the event of an ~~unreserved~~unauthorized use of Ancillary Services by the Transmission Customer in Schedule 11.

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 the Transmission Provider in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by the 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 the 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:

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 Generator Regulation and Frequency Response Service:

Where applicable the rates and/or methodology are described in Schedule 10.

4 Open Access Same-Time Information System (OASIS)

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in business practices and posted on OASIS. In the event available transfer capability as posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 19 and 32.

The 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. The 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. The Transmission Provider shall also post on OASIS and its public website an electronic link to a statement of the process by which the 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 the 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 the Transmission Provider deems appropriate.

5 Municipal Tax Exempt Bonds

5.1 Transmission Provider Own Facilities Financed by Tax Exempt and Tax Credit Bonds:

Notwithstanding any other provision of this Tariff, the 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 municipal bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service.

5.2 Governmental Person Use Certificate

5.2.1 The Transmission Provider may provide Transmission Service to an Eligible Customer in which the total term for any Service Agreement, including all renewal options, is greater than three (3) years, if the Eligible Customer provides a Governmental Person Use Certificate to the

Transmission Provider, substantially in the form of Attachment A-2, consisting of a signed and notarized declaration, from a senior management representative who is duly authorized to represent Eligible Customer.

5.2.2 Any dispute between Transmission Provider and the Eligible Customer as to the determinations made by Transmission Provider in this Section 5.2 shall not be subject to the dispute resolution provisions of Section 12 of this Tariff; provided that nothing in this Section 5.2 shall be construed as affecting in any way the ability of the Transmission Provider or Eligible Customer to exercise rights under any applicable law or regulations.

5.2.3 To facilitate the review by the Transmission Provider of the Eligible Customer Certification provided for in 5.2.1, the Eligible Customer may include documentary support, such as an IRS letter ruling or an unqualified opinion of a nationally-recognized bond counsel supporting the statements in the Certification. The Transmission Provider shall review and respond to the Eligible Customer's submission of a Governmental Person Use Certificate within forty-five (45) days of receipt of said Certificate.

5.2.4 After Transmission Provider's review of the Eligible Customer Certification provided in Section 5.2.1, which may include review by Transmission Provider's bond counsel, Transmission Provider will inform the Eligible Customer whether or not providing the Eligible Customer with a

term of service longer than three (3) years pursuant to the Eligible Customer Certification would jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities. The Transmission Provider shall exercise reasonable but -exclusive judgment to make such determination. Eligible Customer agrees to pay or reimburse Transmission Provider for reasonable costs and expenses (including fees and expenses of counsel) that may be incurred by Transmission Provider for review of the individual Eligible Customer's Governmental Person Use Certificate.

5.2.5 An Eligible Customer that has been informed by Transmission Provider after the review in Section 5.2.4 that it qualifies for Transmission Service under a Service Agreement in which the total term, including all renewal options, is greater than three (3) years, may only sell, lay-off, or otherwise transfer in any manner, any individual service transaction pursuant to the provisions set forth in Section 23 of this Tariff, if the total term of the Service Agreement at the time of such sale, layoff or other transfer, including all renewal options, does not exceed three (3) years, unless in the reasonable but exclusive determination of Transmission Provider, the other Eligible Customer to which such service is sold, laid-off or otherwise transferred has also satisfied the requirements of the Eligible Customer Certification in Section 5.2 of this Tariff, or unless such transfer is to the

operational control of an Independent System Operator or Regional Transmission Organization, subject to the reasonable but exclusive determination of Transmission Provider that such transfer would not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service and provided that Eligible Customer shall provide to Transmission Provider an unqualified opinion of a nationally-recognized bond counsel to Transmission Provider that such transfer will not jeopardize the tax-exempt status of any such municipal bonds. Any resale, assignment or transfer of service that fails to conform to the provisions of Sections 5.2.5 and 23 of this Tariff, by intent or otherwise, shall be void and unenforceable.

5.2.6 Eligible Customers that have executed the Governmental Person Use Certification (Attachment A-2) may transfer rights to Transmission Service on Transmission Provider's Facilities to the operational control of an Independent System Operator or Regional Transmission Organization, subject to the reasonable but exclusive determination of Transmission Provider that such transfer would not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service. The terms applicable to such transfer shall provide for preservation of the tax-

exempt status of financing instruments used to finance the Facilities. Eligible Customer shall provide to Transmission Provider assurance in the form of an unqualified opinion rendered by nationally-recognized bond counsel or similar documentation that is reasonably acceptable to Transmission Provider that transfer of operational control of Eligible Customer's rights to Transmission Service shall not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities.

6 Reciprocity

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to the Transmission Provider on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the 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 transmission-owning 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 the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates.

This reciprocity requirement applies not only to the 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 the 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 service is provided, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all

services furnished under the Tariff. Notwithstanding the prior sentence, the Transmission Provider may submit invoices for periods of less than a full month. The invoice shall be paid by the Transmission Customer ~~by the twentieth (20th) day~~within twenty (20) days of ~~the invoicing month or the tenth (10th) day after~~ receipt ~~of the invoice, whichever occurs earlier~~. All payments shall be made in immediately available funds in U.S. dollars payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider.

7.2 Interest on Unpaid Balances:

Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Transmission Provider.

7.3 Customer Default:

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the 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 the Transmission Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may provide written notice to the Transmission Customer of Transmission Provider's intent to terminate service sixty (60) calendar days from the date of such notice. Transmission Customer shall have seven (7) calendar days following the receipt of the Transmission Provider's notice of termination to submit a written request to the Transmission Provider to commence the dispute resolution procedures of Section 12 of this Tariff. If Transmission Customer does not provide such notice within seven (7) calendar days of receipt of the notice of termination, then Transmission Provider may terminate service to the Transmission Customer on the date specified in the notice of termination. If the Transmission Customer does submit a timely written request to commence dispute resolution procedures, then Section 12 of this Tariff shall apply. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an

independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days.

8 Accounting for the Transmission Provider's Use of the Tariff

The Transmission Provider shall 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 the 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 the Transmission Customer's billing under the Tariff.

9 Tariff and Rate Changes, Withdraw, and Reservation of Rights

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider to unilaterally propose a change in rates, terms and conditions, charges or classification of service. The Transmission Provider may also change the rates that apply to transmission service under any Service Agreement under this Tariff pursuant to applicable law.

The Transmission Provider reserves the right to withdraw and terminate the Tariff. However, the Transmission Provider will not terminate Transmission Service during the stated term of a Service Agreement. The Transmission Provider will also not terminate Transmission Service for Non-Firm Point-to-Point Service Agreements with a duration of less than 30 days. The Transmission Provider will provide thirty (30) days advance written notice prior to the terminating service under Service Agreements for Non-Firm Point-to-Point Transmission Service with a duration of more than thirty (30) days.

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the Tariff to exercise its rights under the Federal Power Act and pursuant to the

Commission's rules and regulations promulgated thereunder.

10 Force Majeure and Indemnification

10.1 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, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. Neither the Transmission Provider nor the 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.

10.2 Indemnification:

The Transmission Customer shall at all times indemnify, defend, and save the 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 the Transmission Provider's performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by the Transmission Provider. Provided, however, that the standard of liability for the actions of the LADWP EIM Entity performed consistent with Attachment O of this Tariff shall be gross negligence or intentional wrongdoing.

11 Creditworthiness

The Transmission Provider will specify its Creditworthiness procedures in Attachment L.

12 Dispute Resolution Procedures

12.1 Internal Dispute Resolution Procedures:

Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under the Tariff shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days (or such other period as the Parties may agree upon) by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

12.2 External Arbitration Procedures:

Arbitration may be initiated under the Tariff. In the event that the Parties mutually agree to arbitration, the Parties shall comply with the following procedures:

12.2.1 Such arbitration shall be conducted before a single neutral arbitrator appointed by the Parties.

12.2.2 If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral 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) days select a third arbitrator to chair the arbitration panel.

12.2.3 Whether a single arbitrator or a three-member arbitration panel is selected, the arbitrator(s) 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 generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association or Regional Transmission Group rules.

12.3 Arbitration Decisions:

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) 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 the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above 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 and/or the Administrative Dispute Resolution Act.

12.4 EIM Disputes:

12.4.1 Disputes between the LADWP EIM Entity and a Transmission Customer or Interconnection Customer Related to Allocation of Charges or Payments from the MO: To the extent a dispute arises between the LADWP EIM Entity and a Transmission Customer or Interconnection Customer regarding the LADWP EIM Entity's implementation of this Tariff's provisions regarding the manner in which the LADWP EIM Entity allocates charges or payments from the MO, the

parties shall follow the dispute resolution procedures in Sections 12.1 to 12.4 of this Tariff.

12.4.2 Disputes between the MO and LADWP EIM Participating Resource Scheduling Coordinators Related to EIM Charges and Payments Directly With the MO: Disputes involving settlement statements between the MO and LADWP EIM Participating Resource Scheduling Coordinators shall be resolved directly with the MO in accordance with the dispute resolution process outlined in the MO Tariff. A Transmission Customer with an LADWP EIM Participating Resource shall provide notice to the LADWP EIM Entity if it raises a dispute with the MO, and such notice shall be provided in accordance with the process set forth in the LADWP EIM BP.

12.4.3 Disputes between the MO and the LADWP EIM Entity: The LADWP EIM Entity may raise disputes with the MO regarding the settlement statements it receives from the MO in accordance with the process specified in the MO Tariff. If the LADWP EIM Entity submits a dispute it shall provide notice to Transmission Customers in accordance with the LADWP EIM BP.

12.4.4 Disputes Regarding MO Charges or Payments to the LADWP EIM Entity Raised by Transmission Customers or Interconnection Customers: To the extent a dispute arises regarding a MO charge or a MO payment to the LADWP EIM Entity that is subsequently charged or paid by the LADWP EIM Entity to a Transmission Customer or an Interconnection Customer, and such Transmission Customer or Interconnection Customer wishes to raise a dispute with the MO, the LADWP EIM Entity shall file a dispute on behalf of such Transmission Customer or Interconnection Customer in accordance with the MO Tariff and work with the Transmission Customer or the Interconnection Customer to resolve the dispute pursuant to the process specified in the MO Tariff.

12.5 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.

12.6 Rights Under The Federal Power Act:

Nothing in this section shall restrict the rights of any party to file a complaint

with the Commission under relevant provisions of the Federal Power Act.

12A Emergency Deviations

Notwithstanding any other provision in this Tariff, in an Emergency, the Transmission Provider, in its capacity as a Balancing Authority pursuant to applicable reliability rules adopted under Section 215 of the Federal Power Act, may take whatever actions are necessary and may direct a Network Customer to take whatever actions are necessary to keep the Transmission System in operation. The Transmission Provider shall post on its OASIS each Emergency that resulted in any deviation from the Tariff, within 24 hours of such deviation.

~~I.~~II. POINT-TO-POINT TRANSMISSION SERVICE

Preamble

The 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 hour and the maximum term, including all renewals granted in accordance

with Section 2, shall be limited to three years pursuant Section 5.1 of this Tariff, unless in the reasonable but exclusive determination of Transmission Provider, the Eligible Customer has satisfied the requirements of the Governmental Person Use Certification and the requirements of Section 5.2 of this Tariff, in which case the maximum term shall be specified in the Service Agreement; or the Transmission Provider and a firm service customer with a contract term of two (2) years or more have mutually agreed to add the automatic renewal option set forth in Section 2.2.2 of this Tariff to the initial Transmission Service Agreement.

13.2 Reservation Priority:

(i) 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.

(ii) Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction or reservation. However, Pre-Confirmed Applications 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 given to an Eligible Customer's request or reservation that offers the highest price, followed by the date and time of the request or reservation.

(iii) If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines: one 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 and lower price has the right of first refusal to match any longer-term request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the 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 the 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, price 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.

(iv) 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 2.3.

13.3 Use of Firm Transmission Service by the Transmission Provider:

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

13.4 Service Agreements:

The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service pursuant to the Tariff. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement ("Unreserved Use") will be deemed, for purposes of assessing any appropriate charges and penalties for such Unreserved ~~use~~Use, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional

curtailment options and is subject to a biennial reassessment as described in Section 15.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the 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 or Redispatch Costs:

In cases where the 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 the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider for any

necessary transmission facility additions pursuant to the terms of Section 27. To the extent the Transmission Provider can relieve any system constraint by redispatching the Transmission Provider's resources, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27 and agrees to either (i) compensate the Transmission Provider for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment by the Transmission Provider of redispatch requirements as described in Section 15.4. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the 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 the 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. Transmission Provider may elect to implement such Curtailments pursuant to the WECC procedures and protocols for unscheduled flow mitigation specified in Attachment J. If multiple transactions require

Curtailment, to the extent practicable and consistent with Good Utility Practice, the 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 the 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 the 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 the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments. Transmission

Provider shall take necessary measures to ensure reliability in LADWP's BAA in accordance with Section 6 of Attachment O.

13.7 Classification of Firm Transmission Service:

(a) The 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.

(b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the 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.

(c) The 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 the Transmission Customer shall be set

forth in the Firm Point-To-Point Service Agreement for Long-Term Firm 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 the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm 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 the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7. The 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. The

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 the 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.

(d) In the event ~~that a Transmission Customer or Eligible Customer 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~~of an Unreserved Use, the Transmission Customer or Eligible Customer shall pay an Unreserved Use charge and penalty in accordance with Schedule 11.

13.8 Scheduling of Firm Point-To-Point Transmission Service:

Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 3:00 p.m. PPT of the ~~day~~Preschedule Day prior to commencement of such service. Schedules submitted after 3:00 p.m. PPT will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen

minute schedules) schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Subject to Transmission Provider's prior approval, Transmission Customers within the 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 before the start of the next scheduling interval provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules and, when available, 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 the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the 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 Applications. 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 highest price offered by the Eligible Customer for the Transmission Service. 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 the 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 the 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 the 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 the Transmission Provider:

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales. The 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:

The Transmission Provider shall offer a standard form Non-Firm Point-To-

Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for 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. The 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. The Transmission Provider shall specify the rate treatment under Schedule 11 and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its non-firm capacity reservation. 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 an hourly, 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 the Transmission Provider no later than 3:00 p.m. PPT of the Preschedule Day prior to commencement of such service. Schedules submitted after 3:00 p.m. PPT will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the 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 up to twenty (20) minutes before the start of the next scheduling interval provided that the Delivering Party and Receiving Party also agree to the schedule modification. The 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 the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the 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:

The 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 may elect to implement such Curtailments pursuant to the WECC procedures and protocols for unscheduled flow mitigation specified in Attachment J. The 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) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, (4) transmission service for Network Customers from non-designated resources, or (5) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 15.4. The Transmission Provider also will discontinue or reduce

service to the 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. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice. Transmission Provider will take necessary measures to ensure reliability in LADWP's BAA in accordance

with Section 6 of Attachment O.

15 Service Availability

15.1 General Conditions:

The 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 the Transmission Provider's specific methodology for assessing available transfer capability posted on the 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, the Transmission Provider will ~~notify Transmission Customer of the need for~~respond by performing a System Impact Study ~~in accordance with Section 19.1.~~ .

15.3 Initiating Service in the Absence of an Executed Service Agreement:

If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, the Transmission Customer ~~or Transmission Provider~~ may submit a written

notification of the disputed terms and conditions pursuant to dispute resolution procedure of Section 12 of this Tariff. The written notification should detail the acceptable versus the disputed terms and conditions. The Transmission Provider may commence providing reliable Transmission Service in compliance with this Tariff and all Applicable Reliability Standards to the Transmission Customer under an unexecuted Point-To-Point Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service**,** subject to the Transmission Customer agreeing to (1) compensate Transmission Provider at its current just and reasonable rate, as approved by the Transmission Provider's Board of Commissioners and Los Angeles City Council, and (2) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, Redispatch or Conditional Curtailment:

(a) If the 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, the 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 the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The 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 the Transmission Provider has the right to expand or modify.

(b) If the 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, the Transmission Provider will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. A Transmission Provider shall not

unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third-party resource.

(c) If the 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, the Transmission Provider will offer the Firm Transmission Service with the condition that the 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 the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or (iii) the 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:

The 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 the 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 Agreements:

Eligible Customers receiving transmission service under other agreements with the Transmission Provider may continue to receive transmission service under those agreements until such time as those agreements may expire or terminate. If the service agreement includes provisions governing continuation, renewal, or extension of service upon expiration of the service agreement, then those terms shall govern, provided that in the reasonable but exclusive determination of Transmission Provider continuation, renewal, or extension of such contract would not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service.

15.7 Real Power Losses:

Real Power Losses are associated with all transmission service. The

Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer shall compensate Transmission Provider for losses associated with all transmission service as provided in Schedule 12. The applicable Real Power Loss factors are as follows:

a. 5.02% for any delivery of energy using the Intermountain Power Project Direct Current segment; and

b. 6.07% for any delivery of energy using the Pacific Direct Current Intertie segment; and

c. 1.78% for any delivery of energy using only Alternating Current segments; and

d. An additional 5.89% loss factor will be included for any delivery of energy using the SYLMAR to PALOVERDE500 segments.

For any delivery of energy using a combination of segments, the highest loss factor will apply. Additionally, if the SYLMAR to PALOVERDE500 segment is used, then 5.89% will be added to the highest loss factor.

16 Transmission Customer Responsibilities

16.1 Conditions Required of Transmission Customers:

Point-To-Point Transmission Service shall be provided by the Transmission Provider only if the following conditions are satisfied by the Transmission Customer:

~~(a) The Transmission Customer has a pending transmission service request in the OASIS queue for Point-To-Point Transmission Service and, for any resale, reassignment or transfer of Firm Point-To-Point Transmission Service, it also has submitted an executed Service Agreement in the form of Attachment A-1 to the addressee identified in Section 17.1 of this Tariff;~~

~~(b)~~(a) ~~The Transmission Customer has~~The Transmission Customer has pending a Completed Application for service;

~~(c)~~(b) The Transmission Customer meets the creditworthiness criteria set forth in Section 11;

~~(d)~~(c) The Transmission Customer will have arrangements in place for any other transmission service necessary to ~~affect~~effect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of the Tariff commences;

~~(e)~~(d) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation;

~~(f)~~(e) The Transmission Customer provides the information required by the Transmission Provider's planning process established in

Attachment K;

~~(g)~~(f) The Transmission Customer has executed a Point-To-Point Service Agreement ~~including the necessary specifications for Long-Term Firm Point-To-Point Transmission Service~~ or has agreed to receive service pursuant to Section 15.3; and

~~(h) If applicable, the provisions of Section 5 have been satisfied.~~

~~(i)~~(g) The Transmission Customer must comply with the requirements of Attachment O regarding the EIM.

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 the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the Transmission Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the 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, the Transmission Provider will undertake reasonable efforts to assist the 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:

~~Subject to Sections 17.2 and 17.3 of this Tariff, a~~A request for ~~Long-Term~~ Firm Point-To-Point Transmission Service for periods ~~greater than~~of one year or longer must contain a written Application to: Attention: Manager of Transmission Contracts, Los Angeles Department of Water and Power, 111 N. Hope Street, Room 1246, Los Angeles, CA 90012, at least sixty (60) days but no greater than three (3) years in advance of the calendar month in which service is to commence. Requests for ~~Short-Term Firm Point-To-Point Transmission Service (~~firm service for periods of less than one year ~~or less)~~ shall be subject to ~~Section 17.2 of this Tariff, and any~~expedited procedures ~~posted on Transmission Provider's OASIS. Such requests~~that shall be ~~processed~~negotiated between the Parties within the time constraints provided in Section 17.5. ~~All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on~~ Prior to implementation of the Transmission Provider's OASIS~~. This method~~, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded

telephone line. Each of these methods will ~~be subject to~~provide a time-stamped record for establishing the priority of the Application~~. The Application procedures for Firm Point-To-Point Transmission Service can be found on the Transmission Provider's OASIS website~~.

17.2 Completed Application:

A Completed Application shall ~~comply with the requirements of Sections 17.1 and 17.2 of this Tariff and also include~~provide all of the information ~~identified~~included in 18 CFR § 2.20 including but not limited to the following:

(i) The identity, address, telephone number, electronic mail address, and facsimile number of the entity requesting service;

(ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

(iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;

(iv) 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. The 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 RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with ~~its Standards~~the standards of ~~Conduct~~conduct contained in Part 37 of the Commission's regulations;

(v) A description of the supply characteristics of the capacity and energy to be delivered;

(vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;

(vii) The Service Commencement Date and the term of the requested Transmission Service;

(viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;

(ix) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the

Transmission Provider can provide the requested Transmission Service; and

~~(x) A statement indicating which Ancillary Services the Eligible Customer will purchase from Transmission Provider. In the event the Eligible Customer chooses to self-supply any necessary Ancillary Services, the Eligible Customer must demonstrate the capability of meeting NERC and WECC requirements and is consistent with the Transmission Provider's Business Practices when acquiring all necessary Ancillary Services from another source; and~~

~~(xi)~~(x) Any additional information required by the Transmission Provider's planning process established in Attachment K.

The Transmission Provider shall treat this information consistent with ~~its Standards of Conduct.~~the standards of conduct contained in Part 37 of the Commission's regulations.

17.3 Deposit:

A Completed Application for Firm Point-To-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month. If the Application is rejected by the 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 (RFP), said deposit shall be returned with interest less any reasonable costs incurred by the Transmission Provider in connection with the review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by the Transmission Provider if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the deposit shall be refunded in full, with interest less ~~any~~ reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer. The Transmission Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the 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, with interest, will be returned to the Transmission Customer upon expiration or termination of the Service Agreement for Firm Point-To-Point Transmission

Service. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to the Transmission Provider's account.

17.4 Notice of Deficient Application:

If an Application fails to meet the requirements of the Tariff, the Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. The Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application, along with any deposit, with interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the 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 Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transfer capability as required in Section 15.2. The Transmission

Provider shall notify the 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 the 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 the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Transmission Provider's execution of the Service Agreement is subject to approval by its governing body. 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 or request the filing of an unexecuted service agreement pursuant to Section 15.3, within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded

with 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:

The Transmission Customer can obtain, subject to availability, up to five (5)~~two (2)~~ one-year extensions for the commencement of service. The 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 15 days of notifying the 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 the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) 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 the 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 the Transmission Provider. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application.

18.2 Completed 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, facsimile number and electronic mail address of the entity requesting service;

(ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

(iii) The Point(s) of Receipt and the Point(s) of Delivery;

(iv) The maximum amount of capacity requested at each Point of Receipt and Point of Delivery; and

(v) The proposed dates and hours for initiating and terminating transmission service hereunder.

In addition to the information specified above, when required to properly evaluate system conditions, the Transmission Provider also may ask the Transmission Customer to provide the following:

(vi) The electrical location of the initial source of the power to be transmitted pursuant to the Transmission Customer's request for service; and

(vii) The electrical location of the ultimate load.

The Transmission Provider will treat this information in (vi) and (vii) as confidential at the request of the 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 RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with ~~its Standards~~the standards of ~~Conduct~~conduct contained in Part 37 of the Commission's regulations.

(viii) A statement indicating that, if the Eligible Customer submits a

Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the 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) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than ~~seven (7~~two (2) days before service is to commence, and requests for hourly service shall be submitted no earlier than 11:00 a.m. PPT of the Preschedule Day before service is to commence. Requests for service received later than the times specified above may be accommodated by Transmission Provider.

18.4 Determination of Available Transfer Capability:

Following receipt of a tendered schedule the 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 ~~Non-Firm Point-To-Point Service~~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) 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, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects to have the Transmission Provider study redispatch or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study;

~~including any costs that exceed the study deposit.~~. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider along with a study deposit of $50,000 within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement or fails to return it to Transmission Provider along with the study deposit within the time prescribed above, its ~~Application~~application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest.

19.2 System Impact Study Agreement and Cost Reimbursement:

(i) The System Impact Study Agreement will clearly specify the 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, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the

Transmission System.

(ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.

(iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section ~~8.2~~20.

19.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement ~~within the time prescribed in Section 19.2~~, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including an estimate of the cost of redispatch, (3) conditional curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur, and (4) additional Direct

Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within ~~the sixty (60) day period~~such time, it shall so notify the 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 the Eligible Customer as soon as the System Impact Study is complete. The 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. The Transmission Provider shall notify the 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) days of completion of the System Impact Study, the Eligible Customer must execute a Service Agreement or request in writing an unexecuted Service Agreement pursuant to Section 15.3 of the Tariff and return it to Transmission Provider within the time prescribed, or the Application shall be deemed terminated and withdrawn.

19.4 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider along with a study deposit of $75,000 payable to LADWP within fifteen (15) days. If the 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 with

interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the 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 the Transmission Customer, (ii) the 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 time required to complete such construction and initiate the requested service. The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed

terminated and withdrawn.

19.5 Facilities Study Modifications:

Any change in design arising from inability to site 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 the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

19.6 Due Diligence in Completing New Facilities:

The Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The 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.

19.7 Partial Interim Service:

If the 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, the 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 and through redispatch. However, the 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.

19.8 Expedited Procedures for New Facilities:

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider

agrees to provide the 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 the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

19.9 Requirement to Meet Study Completion Deadline.

Transmission Provider is required to use due diligence to meet 60-day study completion deadline for System Impact ~~Study~~Studies and Facility ~~Impact Study pursuant to Sections 19.3 and 19.4 respectively~~Studies.

(i) The Transmission Provider is required to file a notice with Transmission Provider's Board of Commissioners in the event that more than twenty (20) percent of non-Affiliates' System Impact Studies and Facilities Studies completed by the Transmission Provider in any two consecutive calendar quarters are not completed within the 60-day study completion deadlines. Such notice must be filed within thirty (30) days of the end of the calendar quarter triggering the notice requirement.

(ii) For the purposes of calculating the percent of non-Affiliates' System Impact Studies and Facilities Studies processed outside of the 60-day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies. The Transmission Provider may provide an explanation in its notification filing to the Transmission Provider's Board of Commissioners if it believes there are extenuating circumstances that prevented it from meeting the 60-day study completion deadlines.

20 Procedures if The 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, the Transmission Provider shall promptly notify the Transmission Customer. In such circumstances, the Transmission Provider shall within thirty (30) days of notifying the Transmission Customer of such delays, convene a technical meeting with the

Transmission Customer to evaluate the alternatives available to the Transmission Customer. The Transmission Provider also shall make available to the Transmission Customer studies and work papers related to the delay, including all information that is in the possession of the Transmission Provider that is reasonably needed by the 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, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the 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, the Transmission Provider shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the

dispute resolution procedures pursuant to Section 12.

20.3 Refund Obligation for Unfinished Facility Additions:

If the Transmission Provider and the 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 the Transmission Customer shall be returned with interest pursuant to Commission regulations 18 CFR § 35.19a(a)(2)(iii). However, the Transmission Customer shall be responsible for all prudently incurred costs by the 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:

The 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. The Transmission Provider will undertake reasonable efforts to assist the 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, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the 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. The Transmission Provider shall notify the 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) days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12.

22 Changes in Service Specifications

22.1 Modifications On a Non-Firm Basis:

The Transmission Customer taking Firm Point-To-Point Transmission Service may request the 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.

(a) 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 the Transmission Provider on behalf of its Native Load Customers.

(b) The sum of all Firm and non-firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.

(c) The 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.

(d) 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, the 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 Resale, Assignment or Transfer of Service:

Subject to the provisions of Section 5~~.2~~ of this Tariff, Transmission Customer

may sell, assign, or transfer all or a portion of its rights under its Service Agreement to another Eligible Customer or to the operational control of an Independent System Operator or Regional Transmission Organization (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to Resellers shall ~~not exceed the higher of (i) the original rate paid~~be at rates established by agreement between the Reseller~~, (ii) the Transmission Provider's maximum rate on file at the time of the assignment, or (iii) the Reseller's opportunity cost capped at the Transmission Provider's cost of expansion~~ and the Assignee.

The Reseller and Assignee must execute the Form of Service Agreement for the Resale, Assignment or Transfer of Point-To-Point Transmission Service (Attachment A-1) with the Transmission Provider governing reassignments of transmission service prior to the date on which the reassigned service commences, unless the transfer is of operational control to an Independent System Operator or Regional Transmission Organization, in which case execution of Attachment A-1 is not required. Transmission Provider is not responsible for administering any financial arrangements between the Reseller and Assignee, including without limitation, the payment of financial losses and penalties. Reseller remains liable for any and all financial obligations and

payments to Transmission Provider under the parent Service Agreement except as specifically agreed to by the Transmission Provider and the Reseller through an amendment to the Service Agreement. Transmission Provider will not accept payment from an Assignee for a resale transaction on behalf of a Reseller. 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 transfer is to an Independent System Operator or Regional Transmission Organization, then only provisions of the OATT that are relevant to usage of the transferred rights under the Service Agreement will be applicable. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

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, the 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 the Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate the 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 the Transmission Provider and the Reseller through an amendment to the Service Agreement.

23.3 Information on Assignment or Transfer of Service:

In accordance with Section 4, all sales or assignments of capacity must be conducted through or otherwise posted on the Transmission Provider's OASIS on or before the date the reassigned service commences and are subject to Section 23.1. Resellers may also use the 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, the 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 the

Transmission Provider. Such equipment shall remain the property of the Transmission Customer.

24.2 Transmission Provider Access to Metering Data:

The 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, the Transmission Customer is required to maintain a power factor within the same range as the 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). The Transmission Provider shall use Part II of the Tariff to make its Third-Party Sales. The Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 8.

26 Stranded Cost Recovery

The Transmission Provider ~~reserves the right~~may seek to recover stranded costs from the Transmission Customer pursuant to this Tariff in accordance with the terms ~~and,~~ conditions and procedures set forth in FERC Order No. 888 and pursuant to any other applicable law. The Transmission Provider's proposed stranded cost recovery shall be subject to the dispute resolution procedures of this Tariff.

27 Compensation for New Facilities and Redispatch Costs

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs. Whenever a System Impact Study performed by the Transmission Provider identifies capacity constraints that may be relieved by redispatching the Transmission Provider's resources to eliminate such constraints, the Transmission Customer shall be responsible for the redispatch costs.

III. NETWORK INTEGRATION TRANSMISSION SERVICE[1]

Preamble

[1] ~~Part III "Network Integration Transmission Service," including incorporated definitions and attachments become effective on the date posted on OASIS which shall not be later than February 1, 2019.~~

The 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 the 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 the Transmission Provider's Control 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, and

must comply with the requirements of Attachment O regarding the EIM.

28.1A Term of Service:

The minimum term of Network Integration Transmission Service shall be more than one year and the maximum term, including all renewals granted in accordance with Section 2, shall be limited to three years pursuant Section 5.1 of this Tariff, unless in the reasonable but exclusive determination of Transmission Provider, the Eligible Customer has satisfied the requirements of the Governmental Person Use Certification and the requirements of Section 5.2 of this Tariff, in which case the maximum term shall be specified in the Service Agreement; or the Transmission Provider and a firm service customer with a contract term of two (2) years or more have mutually agreed to add the automatic renewal option set forth in Section 2.2.2 of this Tariff to the initial Transmission Service Agreement.

28.2 Transmission Provider Responsibilities:

The 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 the Transmission Provider's Transmission System. The 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 the Transmission Provider to calculate available transfer capability. The 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 the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers.

28.3 Network Integration Transmission Service:

The 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 the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.

28.4 Secondary Service:

The Network Customer may use the 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 Transmission Provider is not obligated to provide Real Power Losses. The Network Customer shall compensate Transmission Provider for losses associated with all transmission service as provided in Schedule 12. The applicable Real Power Loss factors are as follows:

a. 5.02% for any delivery of energy using the Intermountain Power Project Direct Current segments; and

b. 6.07% for any delivery of energy using the Pacific Direct Current Intertie segment; and

c. 1.78% for any delivery of energy using only Alternating Current segments; and

d. An additional 5.89% loss factor will be included for any delivery of energy using the PALOVERDE500 to SYLMAR segments.

For any delivery of energy using a combination of segments, the highest loss factor will apply. Additionally, if the PALOVERDE500 to SYLMAR segment is used, then 5.89% will be added to the highest loss factor.

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 the Transmission Provider's Transmission System. The 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.

28.7 Participation in the EIM:

Notwithstanding the limitations in Section 28.6, Network Customers utilizing a Network Integration Transmission Service Agreement and Native Load Customer may participate in the EIM without a requirement to terminate the designation of any Network Resource that is an LADWP EIM Participating Resource consistent with Section 30.3 of this Tariff and without a requirement to reserve additional Point-To-Point Transmission Service for such transactions.

29 Initiating Service

29.1 Condition Precedent for Receiving Service:

Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4, (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff, and (iv) the Eligible Customer executes a Network Operating Agreement with the 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 the 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 the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods 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 facsimile number 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 the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission 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
- Approximate variable generating cost ($/MWH) for redispatch computations
- Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control 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 control area from which the power will originate
- Delivery point(s) to the 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
- Approximate variable generating cost ($/MWH) for redispatch computations;

(vi) Description of Eligible Customer's transmission system:

- Load 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 load flow format compatible with that used by the Transmission Provider
- Operating restrictions needed for reliability
- Operating guides employed by system operators
- Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the 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 Control Area ties with other Control 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) A statement indicating which Ancillary Services the Eligible Customer will purchase from Transmission Provider. In the event the Eligible Customer chooses to self-supply any necessary Ancillary Services, the Eligible Customer must demonstrate the capability of meeting NERC and WECC requirements and is consistent with the Transmission Provider's Business Practices when acquiring all necessary Ancillary Services from another~~

~~source; and~~

~~(x)~~(ix) Any additional information required of the Transmission Customer as specified in: (1) the Transmission Provider's planning process established in Attachment K; and (2) Attachment O.

Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) days of receipt. The acknowledgement must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this section, the Transmission Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the Transmission Provider will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. The Transmission Provider shall treat this information

consistent with ~~Transmission Provider's Standards~~the standards of ~~Conduct~~conduct contained in Part 37 of the Commission's regulations.

29.3 Technical Arrangements to be Completed Prior to Commencement of Service:

Network Integration Transmission Service shall not commence until the 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. The 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 the 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.

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 or participating in the EIM in accordance with Attachment O. Notwithstanding the preceding sentence, a designated Network Resource may be used to supply power to a third party on a firm basis to address or forestall an Emergency without a corresponding undesignation of that Network Resource. The supply of such power from the Network Resource may not last for more than two consecutive hours without undesignation and, within one business day of the last delivery of such emergency power, the Network Customer shall provide a notice to the Transmission Provider containing the details of such supply. Within one business day of receipt of such notice from the Network Customer, Transmission Provider will post the notice on its

OASIS. 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 the Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made through the 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 the 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 a part of a generating resource as a Network Resource by providing notification to the Transmission Provider through OASIS as soon as reasonably practicable, but not later than ~~the~~ following deadlines: (1) for terminations of a day or longer, no later than 3 p.m. PPT the day before the undesignation is to take effect; and (2) for termination with a duration of less than a day, as early as possible, but no later than 20 minutes before the start of the e-tag to which the undesignation applies. 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 the Transmission Provider will follow

the procedures for a deficient application as described in Section 29.2 of the Tariff. Information provided by a Network Customer necessary to redesignate a Network Resource following a period of temporary termination may incorporate by reference information provided pursuant to Section ~~29~~29 when that resource was first designated; provided, however, a Network Customer must provide a renewed attestation, as required by Section ~~29.2(viii),~~29.2(viii), in order to properly redesignate the Network Resource.

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 Control 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 LADWP EIM Participating Resources responding to Dispatch Instructions or to changes in the operation of a Transmission Customer's Network Resources at the request of the 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 the 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 the Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4. Schedule 11 of this Tariff specifies 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 the Transmission Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service. Power from a Substitute Designated Network Resource may be transmitted over network transmission capacity reserved under Section ~~29~~29 for the Bookout Network Resource, provided that the Network Customer must document the Substitute Designated Network Resource on its e-tag submitted to the Transmission Provider. Transmission Provider reserves the right to audit a Network Customer's compliance with this requirement. A Network Customer need not undesignate a Network Resource before engaging in a Bookout involving that Network

Resource.

30.5 Network Customer Redispatch Obligation:

As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.

30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The 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 the Transmission Provider's Transmission System. The 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.

30.7 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.

30.8 Use of Interface Capacity by the Network Customer:

There is no limitation upon a Network Customer's use of the 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 the Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's Load.

30.9 Network Customer Owned Transmission Facilities:

The Network Customer that owns existing transmission facilities that are integrated with the 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 the Transmission Provider, to serve its power and transmission customers. For facilities added by the Network Customer subsequent to ~~the date the Los Angeles City Council makes Part III effective~~January 29, 2019 at

00:00, the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of the 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 the Transmission Provider, would be eligible for inclusion in the Transmission Provider's ~~Annual Transmission Revenue Requirement~~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 the 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 the Transmission Provider:

The Network Customer shall provide the 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. The 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 32.4 and shall be charged to the Network Customer in accordance with LADWP's policies.

31.3 Network Load Not Physically Interconnected with the Transmission Provider

This section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with the Transmission Provider. To the extent that the Network Customer desires to obtain transmission service for a load outside the 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 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 the Transmission Provider's Transmission System and a Network Load, the Network Customer shall provide the 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 the Transmission Provider and charged to the Network Customer as reflected in the Service Agreement. However, the 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 the 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 the Transmission Provider's planning process in Attachment K. The Network Customer also shall provide the 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 the 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, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to

reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest.

32.2 System Impact Study Agreement and Cost Reimbursement:

(i) The System Impact Study Agreement will clearly specify the 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, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

(ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.

(iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the 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, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including, to the extent possible, an estimate of the cost of redispatch, (3) available options for installation of automatic devices to curtail service (when requested by an Eligible Customer), and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested

service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the 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 the Eligible Customer as soon as the System Impact Study is complete. The 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. The Transmission Provider shall notify the 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) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or the Application shall be deemed terminated and withdrawn.

32.4 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the 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 the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30) 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, the 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 the Transmission Provider determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The Transmission Provider will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

33.2 Transmission Constraints:

During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures pursuant to the Network Operating Agreement to redispatch all Network Resources and the Transmission Provider's own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers and any

Network Customer's use of the Transmission System to serve its designated Network Load.

33.3 Cost Responsibility for Relieving Transmission Constraints:

Whenever the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint, the Transmission Provider and Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

33.4 Curtailments of Scheduled Deliveries:

If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Network Operating Agreement or pursuant to the Transmission Loading Relief procedures specified in Attachment J.

33.5 Allocation of Curtailments:

The 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 the Transmission Provider and Network Customer in proportion to

their respective Load Ratio Shares. The Transmission Provider shall not direct the Network Customer to Curtail schedules to an extent greater than the Transmission Provider would Curtail the Transmission Provider's schedules under similar circumstances.

33.6 Load Shedding:

To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for the 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.

33.7 System Reliability:

Notwithstanding any other provisions of this Tariff, the 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 the 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 the Transmission Provider's

Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the 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. The 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 the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers. The 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

35 The Network Customer shall pay the Transmission Provider for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with LADWP requirements, along with the following:

35.1 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 the Transmission Provider's Annual Transmission Revenue Requirement specified in Attachment H.

35.2 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 the Transmission Provider under Section 31.3) coincident with the Transmission Provider's Monthly Transmission System Peak.

35.3 Determination of Transmission Provider's Monthly Transmission System Load:

The Transmission Provider's monthly Transmission System load is the 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.

35.4 Redispatch Charge:

The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and the Transmission Provider pursuant to Section 33. To the extent that the Transmission Provider incurs an

obligation to the Network Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer's bill for the applicable month.

35.5 Stranded Cost Recovery:

The Transmission Provider ~~reserves the right~~may seek to recover stranded costs from the ~~Transmission~~Network Customer pursuant to this Tariff in accordance with the terms ~~and~~, conditions and procedures set forth in FERC Order No. 888 and pursuant to any other applicable law. The Transmission Provider's proposed stranded cost recovery shall be subject to the dispute resolution procedures of this Tariff.

36 Operating Arrangements

36.1 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.

36.2 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 the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, 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 Control Area under applicable guidelines of the Electric Reliability Organization (ERO) as defined in 18 C.F.R. § 39.1, (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or (iii) satisfy its Control 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. The 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.

36.3 Network Operating Committee:

If there are Network Customers, a Network Operating Committee (Committee) shall be established to coordinate operating criteria for the Parties' respective responsibilities under the Network Operating Agreement. If a Committee is established, each Network Customer shall be entitled to have at least one representative on the Committee, and 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 Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control 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 Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

All Transmission Customers required to acquire Scheduling, System Control and Dispatch Service shall pay a charge invoiced monthly for Scheduling, System Control and Dispatch Service provided by the Transmission Provider equal to the amount set forth below. For Point-to-Point Transmission Service, the rate shall be applied to the Transmission Customer’s Reserved Capacity.

Schedule 1 - Scheduling, System Control and Dispatch Service

Service	Period	Rates
Hourly	On-Peak	$0.344/MWh
Hourly	Off-Peak	$0.163/MWh
Daily	Full	$0.004/kW-day
Weekly	Full	$0.027/kW-mo
Monthly	Full	$0.119/kW-mo
Yearly	Full	$1.429/kW-yr

SCHEDULE 1A

EIM Administrative Service

This service recovers the administrative costs assessed by the CAISO as the MO of the EIM to the LADWP EIM Entity in accordance with Sections 4.5.1.1.4, 4.5.1.3, 11.22.8, and 29.11(i) of the MO Tariff (EIM Administrative Costs). All Transmission Customers purchasing Long Term Firm Point-to-Point Transmission Service, Short-Term Firm Point-to-Point Transmission Service, Non-Firm Point-to-Point Transmission Service, or Network Integration Transmission Service from the Transmission Provider shall be required to acquire EIM Administrative Service from the Transmission Provider.

EIM Administrative Costs assigned to the LADWP EIM Entity shall be sub-allocated to Transmission Customers on the basis of Measured Demand for the time period in which the EIM Administrative Costs were incurred.

SCHEDULE 2

Reactive Supply and Voltage Control from Generation or Other Sources Service

In order to maintain transmission voltages on the 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 control 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 the 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 the 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 the Transmission Provider.

Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for such service will be based on the rates set forth below. To the extent the Control Area operator performs this

service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the Control Area operator.

All Transmission Customers required to acquire reactive supply and voltage control shall pay a charge invoiced monthly for reactive supply and voltage control equal to the amount set forth below. For Point-to-Point Transmission Service, the rate shall be applied to the Transmission Customer's Reserved Capacity.

Schedule 2 – Reactive Supply and Voltage Control from Generation and Other Sources Service

Service	Period	Rates
Hourly	On-Peak	$0.499/MWh
Hourly	Off-Peak	$0.237/MWh
Daily	Full	$0.006/kW-day
Weekly	Full	$0.040/kW-wk
Monthly	Full	$0.173/kW-mo
Yearly	Full	$2.078/kW-yr

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 the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider).

The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation.

The amount of and charges for Regulation and Frequency Response Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider; charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

1. Regulation and Frequency Response Service Requirements:

The Transmission Customer's total load within the Transmission Provider's Control Area shall not exceed the Transmission Customer's Reserved Capacity, and the Transmission Provider shall have no obligation to provide this service for any other loads of the Transmission Customer.

A Transmission Customer purchasing Regulation and Frequency Response Service will be required to purchase an amount of such service equal to 1.885 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service. Where the Transmission Customer's Reserved Capacity is used to deliver power from a non-dispatchable resource physically or electrically located in the Transmission Provider's Control Area to the Transmission Customer's load, the Transmission Customer shall purchase Generator Regulation and Frequency Response Service under Schedule 10. The Transmission Provider may not charge a Transmission Customer for service under both Schedule 3 and Schedule 10 for the same Reserved Capacity. The billing determinants for this service shall be reduced by any portion of the 1.885 percent purchase obligation that a Transmission Customer obtains from third-parties or supplies itself.

2. Compensation to for Regulation and Frequency Response Service:

All Transmission Customers required to acquire Regulation and Frequency Response Service shall pay a charge invoiced monthly equal to the amount set forth below.

Schedule 3 – Regulation and Frequency Response Service

Service	Period	Rates
Hourly	On-Peak	$18.019/MWh
Hourly	Off-Peak	$8.557/MWh
Daily	Full	$0.206/kW-day
Weekly	Full	$1.442/kW-wk
Monthly	Full	$6.247/kW-mo
Yearly	Full	$74.959/kW-yr

SCHEDULE 4

Energy Imbalance Service

This Schedule 4 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended. In accordance with Section 10 of Attachment O of this Tariff, Schedule 4A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended.

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within the LADWP EIM Entity BAA over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within the LADWP EIM Entity BAA. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

A Transmission Customer shall be charged or paid for Energy Imbalance Service measured as the deviation of the Transmission Customer's metered load compared to the load component of the Transmission Customer Base Schedule (as determined pursuant to Section 4.2.4 of Attachment O of this Tariff) settled as UIE for the period of the deviation at the applicable LAP price where the load is located, as determined by the MO under Section 29.11(b)(3)(C) of the MO Tariff.

SCHEDULE 4A

Energy Imbalance Service when EIM Suspended

In accordance with Section 10 of Attachment O of this Tariff, this Schedule 4A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended. Schedule 4 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended.

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. An Interconnection Customer, as defined in Attachment M or N of the Tariff, as applicable, must pay imbalance charges in accordance with this Schedule. The Transmission Customer must either purchase this service from the 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 Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a 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 Transmission Provider has established charges for energy imbalance based on the deviation bands as follows:

(i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, using the Hourly Pricing Proxy;

(ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent the Hourly Pricing Proxy for under-scheduling or 90 percent of the Hourly Pricing Proxy for over-scheduling; and

(iii) deviation greater than +/- 7.5 percent (or greater than 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of the

Hourly Pricing Proxy for under-scheduling or 75 percent of the Hourly Pricing Proxy for over-scheduling.

Hourly Pricing Proxy: For purposes of this Schedule, "Hourly Pricing Proxy" is defined as the average price for each hour of the delivered energy price at SP15 day-ahead Index. In the event the referenced index price is negative, the referenced index price shall be deemed to be zero dollars ($0). At the end of each month, the Transmission Provider shall calculate the Hourly Pricing Proxy using pricing information from Dow Jones, the California ISO or another authenticated source.

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. The Transmission Provider must offer this service when the transmission service is used: (a) to serve load within the Transmission Provider's Control Area and (b) to support sales from generators located within its Control Area. The Transmission Customer must either purchase this service from the 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 Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

1. **Spinning Reserve Service Requirements:**

The Transmission Customer may purchase Spinning Reserve Service under this Tariff to satisfy its spinning reserve obligations commensurate with the amount of Reserved Capacity purchased from the Transmission Provider. Specifically, the Transmission Customer's total load within the Transmission Provider's Control Area

shall not exceed the Transmission Customer's Reserved Capacity, and the Transmission Provider shall have no obligation to provide this service for any other loads of the Transmission Customer.

If spinning reserves are provided by any party other than the Transmission Provider, sufficient transmission capacity shall be purchased to provide for the delivery of spinning reserves under any credible single contingency. Spinning reserves shall not be provided by the same generation resource supplying load, since loss of this resource represents a credible single contingency.

The Transmission Customer shall identify in its Application the manner by which it intends to provide for spinning reserves. The use of any resources owned by parties other than the Transmission Provider as spinning reserve resources shall be subject to verification by the Transmission Provider, and such resources shall conform to applicable WECC and NERC criteria for spinning reserves.

A Transmission Customer purchasing Spinning Reserve Service will be required to purchase an amount of such service equal to 4.874 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service. However, a Transmission Customer shall purchase an amount of Spinning Reserve Service equal to 50 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service when the scheduled generation is determined by the Transmission Provider to be the most-severe-single contingency of the Transmission Provider during

the period of time in which service is provided. The billing determinants for this service shall be reduced by any portion of the percent purchase obligation that a Transmission Customer obtains from third-parties or supplies itself.

2. **Compensation for Spinning Reserve Service:**

All Transmission Customers required to acquire Spinning Reserve Service shall pay a charge invoiced monthly equal to the amount set forth below.

Schedule 5 – Operating Reserve – Spinning Reserve Service

Service	Period	4.874% Purchase Requirement or 50% Purchase Requirement Rates
Hourly	On-Peak	$29.475/MWh
Hourly	Off-Peak	$13.997/MWh
Daily	Full	$0.337/kW-day
Weekly	Full	$2.358/kW-wk
Monthly	Full	$10.218/kW-mo
Yearly	Full	$122.617/kW-yr

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. The Transmission Provider must offer this service when the transmission service is used: (a) to serve load within its Control Area and (b) to support sales from generators located within its Control Area. The Transmission Customer must either purchase this service from the 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 Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

1. **Supplemental Reserve Service Requirements:**

The Transmission Customer may purchase Supplemental Reserve Service under this Tariff to satisfy its supplemental reserve obligations commensurate with the amount of Reserved Capacity purchased from the Transmission Provider. Specifically, the

Transmission Customer's total load within the Transmission Provider's Control Area shall not exceed the Transmission Customer's Reserved Capacity, and the Transmission Provider shall have no obligation to provide this service for any other loads of the Transmission Customer.

If supplemental reserves are provided by any party other than the Transmission Provider, sufficient transmission capacity shall be purchased to provide for the delivery of supplemental reserves under any credible single contingency.

The Transmission Customer shall identify in its Application the manner by which it intends to provide for supplemental reserves. The use of any resources owned by parties other than the Transmission Provider as supplemental reserve resources shall be subject to verification by the Transmission Provider, and such resources shall conform to applicable WECC and NERC criteria for supplemental reserves.

A Transmission Customer purchasing Supplemental Reserve Service will be required to purchase an amount of such service equal to 4.874 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service. However, a Transmission Customer shall purchase an amount of Supplemental Reserve Service equal to 50 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service when the scheduled generation is determined by the Transmission Provider to be the most-severe-single contingency of the Transmission Provider during the period of time in which service is provided. The billing determinants

for this service shall be reduced by any portion of the percent purchase obligation that a Transmission Customer obtains from third-parties or supplies itself.

2. **Compensation for Supplemental Reserve Service:**

All Transmission Customers required to acquire Supplemental Reserve Service shall pay a charge invoiced monthly equal to the amount set forth below.

Schedule 6 – Operating Reserve – Supplemental Reserve Service

Service	Period	4.874% Purchase Requirement or 50% Purchase Requirement Rates
Hourly	On-Peak	$6.707/MWh
Hourly	Off-Peak	$3.185/MWh
Daily	Full	$0.077/kW-day
Weekly	Full	$0.537/kW-wk
Monthly	Full	$2.325/kW-mo
Yearly	Full	$27.903/kW-yr

SCHEDULE 7

Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service

A. Rates: The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

1) **Yearly delivery**: one-twelfth of the demand charge of $35.234/kW of Reserved Capacity per year.
2) **Monthly delivery**: $2.936/kW of Reserved Capacity per month.
3) **Weekly delivery**: $0.678/kW of Reserved Capacity per week.
4) **Daily delivery**: $0.097/kW of Reserved Capacity per day.
5) **On-Peak Hourly delivery**: $8.470/MW of Reserved Capacity per hour.
6) **Off-Peak Hourly delivery**: $4.022/MW of Reserved Capacity per hour.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts or megawatts of Reserved Capacity in any day during such week. The basic charge for Hourly delivery shall not exceed the price per megawatts of Reserved Capacity per hour specified in sections (5) or (6) above during on-peak and off-peak hours, respectively. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (4) above for Daily delivery times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the

total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (3) above for Weekly delivery times the highest amount in kilowatts of Reserved Capacity in any hour during such week. For purposes of Hourly Delivery under this Schedule 7, "on-peak" hours shall be hours ending 07:00 through 22:00 PPT, Monday through Saturday excluding holidays, and "off-peak" hours shall be all other hours.

B. Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the 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, the 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.

C. 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

A. Rates: The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

1) **Monthly delivery**: $2.936/kW of Reserved Capacity per month.

2) **Weekly delivery**: $0.678/kW of Reserved Capacity per week.

3) **Daily delivery**: $0.097/kW of Reserved Capacity per day.

4) **On-Peak Hourly delivery**: $8.470/MW of Reserved Capacity per hour.

5) **Off-Peak Hourly delivery**: $4.022/MW of Reserved Capacity per hour.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week. The basic charge for Hourly delivery shall not exceed the price per megawatts of Reserved Capacity per hour specified in sections (4) or (5) above during on-peak and off-peak hours, respectively. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (4) or (5) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity

in any hour during such week. For purposes of Hourly Delivery under this Schedule 8, "on-peak" hours shall be hours ending 7:00 through 22:00 PPT, Monday through Saturday excluding holidays, and "off-peak" hours shall be all other hours.

B. Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the 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, the 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.

C. 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

This Schedule 9 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended. In accordance with Section 9 of Attachment O of this Tariff, Schedule 9A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended.

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the LADWP EIM Entity BAA that is not an LADWP EIM Participating Resource, and the resource component of the Transmission Customer Base Schedule from that generator to (1) a load external to the LADWP EIM Entity BAA or (2) a load within the LADWP EIM Entity BAA over a single hour. The 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 Control Area. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator.

The Transmission Provider shall establish charges for Generator Imbalance Service as follows (the following provisions do not apply to Transmission Customers which have received a Manual Dispatch or EIM Available Balancing Capacity dispatch

or which have communicated physical changes in the output of resources to the MO):

A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer's metered generation compared to the resource component of the Transmission Customer Base Schedule settled as UIE by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff.

The following provisions shall apply to Transmission Customers which have received a Manual Dispatch or EIM Available Balancing Capacity dispatch, or which have communicated physical changes in the output of resources to the MO or for other reasons imbalance energy is calculated by the MO:

(1) (a) A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer's metered generation compared to the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in the FMM or for other instructions by the MO, as UIE calculated by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B)

of the MO Tariff; or

(b) A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer's metered generation compared to the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in RTD or for other instructions by the MO, as UIE calculated by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff;

and

(2) (a) A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of either the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in the FMM or for other instructions by the MO, compared to the resource component of the Transmission Customer Base Schedule, as IIE calculated by the MO for the period of the deviation at the applicable PNode FMM price where the generator is located, as determined by the MO under

Section 29.11(b)(1)(A)(ii) of the MO Tariff; or

(b) Generator Imbalance Service measured as the deviation of either the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in RTD or for other instructions by the MO, compared to the FMM schedule, as IIE calculated by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(2)(A)(ii) of the MO Tariff.

Applicability to Interconnection Customers: To the extent the Interconnection Customer is a different entity than the Transmission Customer and controls the output of a generator located in the Transmission Provider's Control Area, the Interconnection Customer may be subject to charges for Generator Imbalance Service (rather than the Transmission Customer) in accordance with this Schedule 9.

SCHEDULE 9A

Generator Imbalance Service when EIM Suspended

In accordance with Section 10 of Attachment O of this Tariff, this Schedule 9A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended. Schedule 9 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended.

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Provider's Control Area and a delivery schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider's Control Area over a single hour. An Interconnection Customer, as defined in Attachment M or N of the Tariff, as applicable, must pay imbalance charges in accordance with this Schedule. The 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 Control Area.

The Transmission Customer must either purchase this service from the 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 Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to

reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator. The 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 Transmission Provider shall charge for Generator Imbalance Service based on the deviation bands as follows:

(i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, using the Hourly Pricing Proxy;

(ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent the Hourly Pricing Proxy for under-scheduling or 90 percent of the Hourly Pricing Proxy for over-scheduling; and

(iii) deviations greater than +/- 7.5 percent (or greater than 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that

occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of the Hourly Pricing Proxy for under-scheduling or 75 percent of the Hourly Pricing Proxy for over-scheduling, except that an intermittent resource will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5 percent or 2 MW. An intermittent resource, for the limited purpose of this Schedule is an electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security constraints.

Hourly Pricing Proxy: For purposes of this Schedule, "Hourly Pricing Proxy" is defined as the average price for each hour of the delivered energy price at SP15 day-ahead Index. In the event the referenced index price is negative, the referenced index price shall be deemed to be zero dollars ($0). At the end of each month, the Transmission Provider shall calculate the Hourly Pricing Proxy using pricing information from Dow Jones, the California ISO or another authenticated source.

Notwithstanding the foregoing, deviations from scheduled transactions in order to respond to directives by the Transmission Provider, a Control Area, or a reliability coordinator shall not be subject to the deviation bands identified above and, instead, shall be settled financially, at the end of the month, at 100 percent of the Hourly Pricing Proxy. Such directives may include instructions to correct frequency decay, respond to a reserve

sharing event, or change output to relieve congestion.

SCHEDULE 10

Generator Regulation and Frequency Response Service

Generator 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). Generator 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/or by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in generation output. The obligation to maintain this balance between resources and the generator's schedule lies with the Transmission Provider (or the Control Area that performs this function for the Transmission Provider).

The Transmission Provider (or the Control Area that performs this function for the Transmission Provider) must offer this service when transmission service is used to deliver energy from a generator physically or electrically located within the Transmission Provider's Control Area. Generator Regulation and Frequency Response Service applies to the extent that a Transmission Customer is not already subject to Regulation and Frequency Response Service provided under Schedule 3 for the same Reserved Capacity. The Transmission Customer must either purchase this service from the Transmission

Provider or make alternative comparable arrangements, which may include use of non-generation resources or processes capable of providing this service, to satisfy its Generator Regulation and Frequency Response Service obligation.

The amount of and charges for Generator Regulation and Frequency Response Service are set forth below. To the extent a Control Area performs this service for the Transmission Provider, charges to the Transmission Customer or generator are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area. The Transmission Provider may not charge a Transmission Customer for service under both Schedule 3 and Schedule 10 for the same Reserved Capacity.

1. **Generator Regulation and Frequency Response Service Requirements**:

The Transmission Customer or generator shall identify in its Application the manner by which it intends to provide for Generator Regulation and Frequency Response Service. The use of any resources owned by parties other than the Transmission Provider shall conform to applicable the Western Electricity Coordinating Council (WECC) and the North American Electric Reliability Council (NERC) criteria.

A Transmission Customer or generator delivering energy outside of the Transmission Provider's Control Area from a dispatchable generation resource and purchasing Generator Regulation and Frequency Response Service will be required to purchase such service based on 1.885 percent of the maximum name plate capacity of the generator.

A Transmission Customer delivering energy from a non-dispatchable generating resource: (a) to load in the Transmission Provider's Control Area, or (b) outside of the Transmission Provider's Control Area, shall in each case purchase Generator Regulation and Frequency Response Service based on 6.627 percent of the maximum name plate capacity of the generator.

The billing determinants for this service shall be reduced by any portion of the purchase obligation that a Transmission Customer or generator obtains from third-parties or supplies itself.

2. Compensation to for Generator Regulation and Frequency Response Service:

All Transmission Customers required to acquire Generator Regulation and Frequency Response Service shall pay a charge invoiced monthly equal to the amount set forth below.

Schedule 10 – Generator Regulation and Frequency Response Service

Service	Period	1.885% Purchase Requirement (Note 1) Rates	6.627% Purchase Requirement (Note 1) Rates
Hourly	On-Peak	$18.019/MWh	$18.019/MWh
Hourly	Off-Peak	$8.557/MWh	$8.557/MWh
Daily	Full	$0.206/kW-day	$0.206/kW-day
Weekly	Full	$1.442/kW-wk	$1.442/kW-wk
Monthly	Full	$6.247/kW-mo	$6.247/kW-mo
Yearly	Full	$74.959/kW-yr	$74.959/kW-yr

Note 1: 1.885% Purchase Requirement applies when using a dispatchable generation resource. 6.627% Purchase Requirement applies when using a non-dispatchable generation resource.

SCHEDULE 11

Unreserved Use of Transmission Service

Subject to Attachment O, Section 8.7 of this Tariff, the Transmission Provider will impose an Unreserved Use charge and penalty in any circumstance where the 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 11, and in accordance with Section 13.4 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, the 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 and penalty. The Transmission Provider will calculate unreserved use penalties as follows:

1. The penalty for a single hour of Unreserved Use is two times the 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;
2. More than one Unreserved Use penalty assessment for service of a given duration will increase the penalty period to the next longest duration (e.g., hourly to daily, daily to weekly, weekly to monthly), with the penalty being two times the Transmission Provider's rate in effect at the time of the Unreserved Use for Firm

Point-To-Point Transmission Service for the applicable service duration; and

3. For the actual period of Unreserved Use, the Transmission Provider will charge the Eligible Customer for any ancillary services associated with the customer's Unreserved Use pursuant to the terms of Schedules 1, 2, 3, 4, 5, 6, 8, 9 and 10 of the Tariff.

SCHEDULE 12

Real Power Losses

This Schedule 12 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended. In accordance with Section 10 of Attachment O of this Tariff, Schedule 12A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended.

The Transmission Customer taking Network Integration Transmission Service, Firm Point-to-Point, or Non-Firm Point-to-Point Transmission Service, excluding Energy Imbalance Service and Generator Imbalance Service, shall reimburse the Transmission Provider for Real Power Losses as provided in Sections 15.7 and 28.5 of this Tariff. The Transmission Customer must financially settle for Real Power Losses by reimbursement as specified herein.

Settlement of Real Power Losses associated with Energy Imbalance Service shall be pursuant to Schedule 4 of this Tariff, and settlement of Real Power Losses associated with Generator Imbalance Service shall be pursuant to Schedule 9 of this Tariff. The procedures to determine the amount of Real Power Losses associated with a Transmission Customer's Base Schedule, as well as the reimbursement for Real Power Losses, are set forth below.

The amount of Real Power Losses assessed to a Transmission Customer in a given hour shall be the product of such Transmission Customer Base Schedule during the hour in MWhs and the applicable loss factor(s) provided in Sections 15.7 and 28.5.

The Transmission Customer shall compensate the Transmission Provider at a rate equal to the amount of Real Power Losses assessed to such Transmission Customer in a given hour multiplied by the hourly LAP price for the LADWP EIM Entity BAA in that hour as established by the MO under section 29.11 (b)(3)(C) of the MO Tariff.

SCHEDULE 12A

Real Power Losses when EIM Suspended

In accordance with Section 10 of Attachment O of this Tariff, this Schedule 12A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended. Schedule 12 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended.

Transmitting electricity at high voltage results in fractional energy lost due to resistance, which varies depending on voltage level and length of the transmission element. For any transmission service, there is an associated real power loss.

1. Loss Path

Transmission Customer acquiring Firm, or Non-Firm Point-to-Point Transmission Service or Network Integration Transmission Service shall reimburse Transmission Provider for Real Power Losses that result from transmitting electric energy across the Transmission Provider's Transmission System and such Real Power Losses will be assessed based on the Real Power Loss factor associated with the following paths:

a. Any path using the Pacific Direct Current Intertie or Intermountain Power Project Direct Current transmission line; or

b. Any path using the Palo Verde and Sylmar segments; or

c. Any path using alternating current segments.

2. Loss Settlement

Real Power Losses shall be the percentage identified in Section 15.7 and/or Section 28.5 of the Tariff, as applicable, multiplied by Transmission Customer's usage (measured in MWhs) as measured by the revenue-quality meter(s) installed at the Point(s) of Receipt during each hour less any curtailments, correction or adjustments mutually agreed on by Transmission Provider and Transmission Customer.

Transmission Customer shall compensate the Transmission Provider for each hour of service provided at a rate equal to the Hourly Pricing Proxy as defined in Schedule 4A or 9A.

ATTACHMENT A

Form Of Service Agreement For
Firm Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ ("Transmission Customer").

2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.

3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff. This section does not apply to Short-Term Transmission Agreements.

4.0 Service under this agreement shall commence on the later of (l) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

6.0 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:

_____

_____

_____

7.0 The Tariff is incorporated herein and made a part hereof.

8.0 For Long-Term Firm Point-to-Point Service, Transmission Customer has included the two-page form entitled *"Specifications For Long-Term Firm Point-To-Point Transmission Service"* and such form is made a part of this agreement.

9.0 The following provision applies, only if the contract term is two (2) years or more:

Automatic renewal option: This TSA will automatically renew for an additional term of two (2) years, unless either Party notifies the other party of the termination of this automatic renewal option on or before the date that is one (1) year prior the last day of the initial term of the TSA, and one (1) year prior to the last day of each subsequent term of the TSA thereafter.

10. If applicable (refer to Section 5.2 of the Tariff), Transmission Customer has attached the executed Governmental Use Certificate (refer to Attachment A-2 of the Tariff).

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____ _____ _____
Name Title Date

Transmission Customer:

By: _____ _____ _____
Name Title Date

Specifications For Long-Term Firm Point-To-Point
Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

_____

3.0 Point(s) of Receipt:_____

Delivering Party:_____

4.0 Point(s) of Delivery:_____

Receiving Party:_____

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity):_____

6.0 Designation of party(ies) subject to reciprocal service obligation:_____
_____
_____
_____

7.0 Name(s) of any intervening systems providing transmission service:_____
_____

8.0 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.)

8.1 Transmission Charge:_____
_____

8.2 System Impact and/or Facilities Study Charge(s):
_____
_____

8.3 Direct Assignment Facilities Charge:_____
_____

8.4 Ancillary Services Charges: _____
_____
_____
_____
_____
_____
_____

ATTACHMENT A-1

**Form Of Service Agreement
For The Resale, Assignment Or Transfer
Of Point-To-Point Transmission Service**

An existing Transmission Customer in good standing may resell Point-to-Point Transmission Service ("Reseller") to another party ("Assignee"), which hereinafter may be referred to collectively as "Parties" and individually as "Party." Both Reseller and Assignee must execute this Form Of Service Agreement For The Resale, Assignment Or Transfer of Point-To-Point Transmission Service prior to the scheduling of any transmission service related hereto.

1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), _____ (the Reseller), and _____ (the Assignee).

2.0 Terms used herein with initial capitalization, whether in the singular or the plural, shall have the meanings specified in the Tariff and are hereby incorporated into this Service Agreement. Terms used herein, whether in the singular or the plural, which are not defined in the Tariff shall have the meanings set forth below:

2.1 Parent Reservation – an existing, confirmed reservation being modified by a Resale.

2.2 Resale – The request to convey scheduling rights associated with a reservation for Point-To-Point Transmission Service from a Reseller to an Assignee.

3.0 Transmission Provider shall provide Point-To-Point Transmission Service and Ancillary Services to the Assignee in accordance with Section 23 of the Tariff for each Resale transaction requested under this Service Agreement after each of the following conditions has been satisfied:

3.1 Assignee has entered into an agreement for Resale with Reseller;

3.2 Reseller has been determined by Transmission Provider to have submitted

on Transmission Provider's OASIS a Completed Application;

3.3 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained and Reseller and Assignee have executed this Service Agreement;

3.4 Reseller has resold Point-To-Point Transmission Service (Parent Reservation) purchased on Transmission Provider's OASIS for which Transmission Provider is the primary provider and for which there is sufficient available capacity on the Parent Reservation for the requested duration. The transmission service being resold may not have been previously scheduled, redirected, resold or otherwise encumbered; and

3.5 The Resale Transaction must be confirmed on OASIS prior to scheduling the capacity.

4.0 Assignee agrees to supply information Transmission Provider deems reasonably necessary in accordance with the provisions of Parts I and II of the Tariff and this Service Agreement.

5.0 Once the Assignee has met the conditions in Section 3 of this Service Agreement, Transmission Provider agrees to provide and Assignee agrees to take Point-To-Point Transmission Service and Ancillary Services requested for a transaction in accordance with the terms and conditions of Parts I and II of the Transmission Provider's Tariff, except for those terms and conditions specifically agreed to by Transmission Provider and included herein. .

6.0 Assignee acknowledges that it may be required by Reseller to compensate Reseller for Real Power Losses for which Reseller has compensated Transmission Provider in accordance with Schedule 12.

7.0 Assignee acknowledges that it may be required by Reseller to compensate Reseller for penalties as are provided for in the Tariff.

8.0 Transmission Provider is not responsible for administering any financial arrangements between the Reseller and the Assignee, including without limitation, the payment of financial losses.

9.0 Reseller remains liable for any and all financial obligations and payments to

Transmission Provider under the original service agreement and Parent Reservation. Transmission Provider will not accept payment from an Assignee for a resale transaction on behalf of a Reseller.

10.0 Any request from Assignee to redirect must be made on the Transmission Provider's OASIS, list Transmission Provider as the Provider and Seller, and may be subject to additional charges or credits if accepted and confirmed.

11.0 Any Resale reservation is subject to displacement should the Parent Reservation be displaced by a higher priority request.

12.0 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.

13.0 If applicable (refer to Section 5.2 of the Tariff), Transmission Customer has attached the executed Governmental Use Certificate (refer to Attachment A-2 of the Tariff).

Transmission Provider:

_____

_____

_____

Assignee:

_____

_____

Reseller:

_____

_____

14.0 The Tariff is incorporated herein and made a part hereof.

For Resale or Assignment of Long-Term Firm Point-to-Point Service, Assignee has included the two-page form entitled *"Specifications For The Resale, Assignment Or Transfer of Long-Term Firm Point-To-Point Transmission Service"* and such form is made a part of this agreement.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By:_____ _____ _____
Name Title Date

Assignee:

By:_____ _____ _____
Name Title Date

Reseller:

By:_____ _____ _____
Name Title Date

Specifications For The Resale, Assignment Or Transfer of
Long-Term Firm Point-To-Point Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

_____

3.0 Point(s) of Receipt:_____

Delivering Party:_____

4.0 Point(s) of Delivery:_____

Receiving Party:_____

5.0 Maximum amount of reassigned capacity: _____

6.0 Designation of party(ies) subject to reciprocal service obligation:_____
_____
_____
_____

7.0 Name(s) of any Intervening Systems providing transmission service:_____
_____

8.0 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.)

8.1 Transmission Charge:_____

_____

8.2 System Impact and/or Facilities Study Charge(s):

_____

_____

8.3 Direct Assignment Facilities Charge:_____

_____

8.4 Ancillary Services Charges: _____

_____

_____

_____

_____

_____

_____

9.0 Name of Reseller of the reassigned transmission capacity:

_____

Attachment A-2

FORM OF

GOVERNMENTAL PERSON USE CERTIFICATE

PURSUANT TO SECTION 5.2

In connection with the execution of any transmission service agreement (the "TSA") between the Los Angeles Department of Water and Power ("Transmission Provider") and [NAME of COUNTER PARTY] ("Eligible Customer"), relating to Transmission Service provided over certain transmission facilities described therein (the "Facilities"), Eligible Customer certifies, represents and agrees as follows:

Officer Signing. I am the duly [elected/appointed] [Title] of Eligible Customer, authorized to sign this Certificate.

Tax-Exempt Bonds. Eligible Customer understands that this Certificate relates to Facilities that were financed with tax-exempt bonds, Build America Bonds and/or Qualified Energy Conservation Bonds, issued by or on behalf of the Transmission Provider.

Governmental Status. The Eligible Customer is a municipal utility that is owned by a state (of the United States) or local governmental unit or a political subdivision or instrumentality thereof, or is itself a state (of the United States) or local governmental unit or a political subdivision or instrumentality thereof (a "Governmental Person").

Qualifying Use. Except as provided below, for the term of any TSA, including any renewal periods, the Eligible Customer will use the Facilities to transmit electricity only in connection with its retail electric system in providing electricity to its retail electric customers.

Short-term Uses. Any sale, assignment, transfer or lay-off in any manner of any service provided to the Eligible Customer under any TSA shall comply with the Tariff procedures for resale, assignment or transfer of service, including but not limited to Sections 5.2.5 and Section 23 of this Tariff.

Governmental Person Uses Permitted. In the event there is to be a sale, lay-off, or other transfer in any manner, of any service pursuant to any TSA, by the Eligible Customer, to another Governmental Person for a period of longer than 3 years, such may only be permitted if such other Governmental Person satisfies the requirements of Section 5.2 and executes a form of this Certificate.

Transfers to ISOs/RTOs. Eligible Customer may transfer its rights to Transmission Service on Transmission Provider's Facilities to the operational control of an Independent System Operator or Regional Transmission Organization, in which case execution of this Certificate shall not be required, subject to the reasonable but exclusive determination of Transmission Provider that such transfer would not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service. The terms applicable to such transfer shall provide for preservation of the tax-exempt status of financing instruments used to finance the Facilities. Eligible Customer shall provide to Transmission Provider assurance in the form of an unqualified opinion rendered by nationally-recognized bond counsel or similar documentation that is reasonably acceptable to Transmission Provider that transfer of operational control of Eligible Customer's rights to Transmission Service shall not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities.

Additional information. Eligible Customer agrees to immediately inform, in writing, Transmission Provider of any change regarding the foregoing certifications, representations and agreements and agrees that, if such change is reasonably likely, in the discretion of Transmission Provider, to adversely affect the tax-exempt status of the Transmission Providers bonds, Transmission Provider may terminate any TSA in accordance with Tariff Section 5.1, to the extent necessary to prevent such adverse impact.

SUBSCRIBED AND SWORN BEFORE A NOTARY PUBLIC

Dated:

by_____

[Name and title of senior management representative duly authorized to represent Eligible Customer]

ATTACHMENT B

Form Of Service Agreement For Non-Firm Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ (Transmission Customer).

2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.

3.0 Service under this Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer.

4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

6.0 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:

_____

_____

_____

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____ _____ _____
Name Title Date

Transmission Customer:

By: _____ _____ _____
Name Title Date

ATTACHMENT C

Methodology To Assess Available Transfer Capability

This Attachment C contains the Transmission Provider's methodology to assess Available Transfer Capability of the Transmission System. Transmission Provider posts its Available Transfer Capability Implementation Document (ATCID) on its OASIS.

1. Definitions

a. Available Transfer Capability (ATC)

ATC means the measure of the transfer capability remaining in the physical transmission network for further commercial activity over and above already committed uses. It is defined as Total Transfer Capability less Existing Transmission Commitments (including retail customer service), less a Capacity Benefit Margin, less a Transmission Reliability Margin, plus Postbacks, plus counterflows.

b. ATC Path

ATC Path means any combination of Point of Receipt and Point of Delivery for which ATC is calculated, and any Posted Path.

c. Capacity Benefit Margin (CBM)

CBM means the amount of firm transmission transfer capability preserved by the transmission provider for Load-Serving Entities (LSEs), whose loads are located on that Transmission Service Provider's system, to enable access by the LSEs to generation from interconnected systems to meet generation reliability requirements. Preservation of CBM for an LSE allows that entity to reduce its installed generating capacity below that which may otherwise have been necessary without interconnections to meet its generation reliability requirements. The transmission transfer capability preserved as CBM is intended to be used by the LSE only in times of emergency generation deficiencies. CBM_s is the CBM for the ATC Path that has been scheduled during that period.

d. Counterflows

Counterflows are adjustments to the Firm or Non-firm ATC on a path when there are Firm or Non-firm Transmission Service scheduled to flow in the opposite direction of the same path.

e. Existing Transmission Commitments (ETC)

ETC means committed uses of a Transmission Service Provider's Transmission system considered when determining ATC. The commitments can be firm (ETC_F) or non-firm (ETC_{NF}).

f. Operating Horizon

Operating Horizon means a specified number of hours extending past the end of the Scheduling Horizon.

g. Planning Horizon

Planning Horizon means a specified number of days extending past the end of the Operating Horizon.

h. Postbacks

Postbacks are changes to Firm or Non-firm ATC based on a change in status of a transmission service reservation or use of reserved capacity, or other conditions as specified by the Transmission Provider in the ATCID.

i. Load Serving Entity (LSE)

LSE means Secures energy and Transmission Service (and related Interconnected Operations Services) to serve the electrical demand and energy requirements of its end-use customers.

j. Scheduling Horizon

Scheduling Horizon means a specified number of hours extending past the current hour.

k. Total Transfer Capability (TTC)

TTC means the amount of electric power that can be moved or transferred reliably from one area to another area of the interconnected transmission systems by way of all transmission lines (or paths) between those areas under specified system conditions.

l. Transmission Reliability Margin (TRM)

TRM means the amount of transmission transfer capability necessary to provide reasonable assurance that the interconnected transmission network will be secure. TRM accounts for the inherent uncertainty in system conditions and the need for operating flexibility to ensure reliable system operation as system conditions change. TRM_U is the TRM for the ATC Path that has not been released for sale (unreleased) as non-firm capacity by the Transmission Provider during that period.

2. Determination of ATC

a. Rated System Path Methodology

Transmission Provider uses the Rated System Path Methodology to calculate ATC. The currently effective version of NERC Reliability Standard MOD-029 ("Rated System Path Methodology") shall apply to calculate TTCs and ATCs for ATC Paths.

b. Description of the Mathematical Algorithms Used to Calculate Firm and Non-Firm ATC

To determine firm and non-firm ATC, the Transmission Provider uses the following algorithms for the Scheduling Horizon, Operating Horizon and Planning Horizon.

The equation to calculate firm ATC is:

$$\mathbf{ATC_F = TTC - ETC_F - CBM - TRM + Postbacks_F + Counterflows_F.}$$

The equation to calculate non-firm ATC is:

$$\mathbf{ATC_{NF} = TTC - ETC_F - ETC_{NF} - CBM^s - TRM_u + Postbacks_{NF} + Counterflows_{NF}.}$$

c. Specific Mathematical Algorithms Used to Calculate Firm and Non-Firm ATC

The specific mathematical algorithms used to calculate firm and non-firm ATC are located on LADWP's OASIS website at:

https://www.oasis.oati.com/LDWP/LDWPdocs/ATC_Algorithms.pdf.

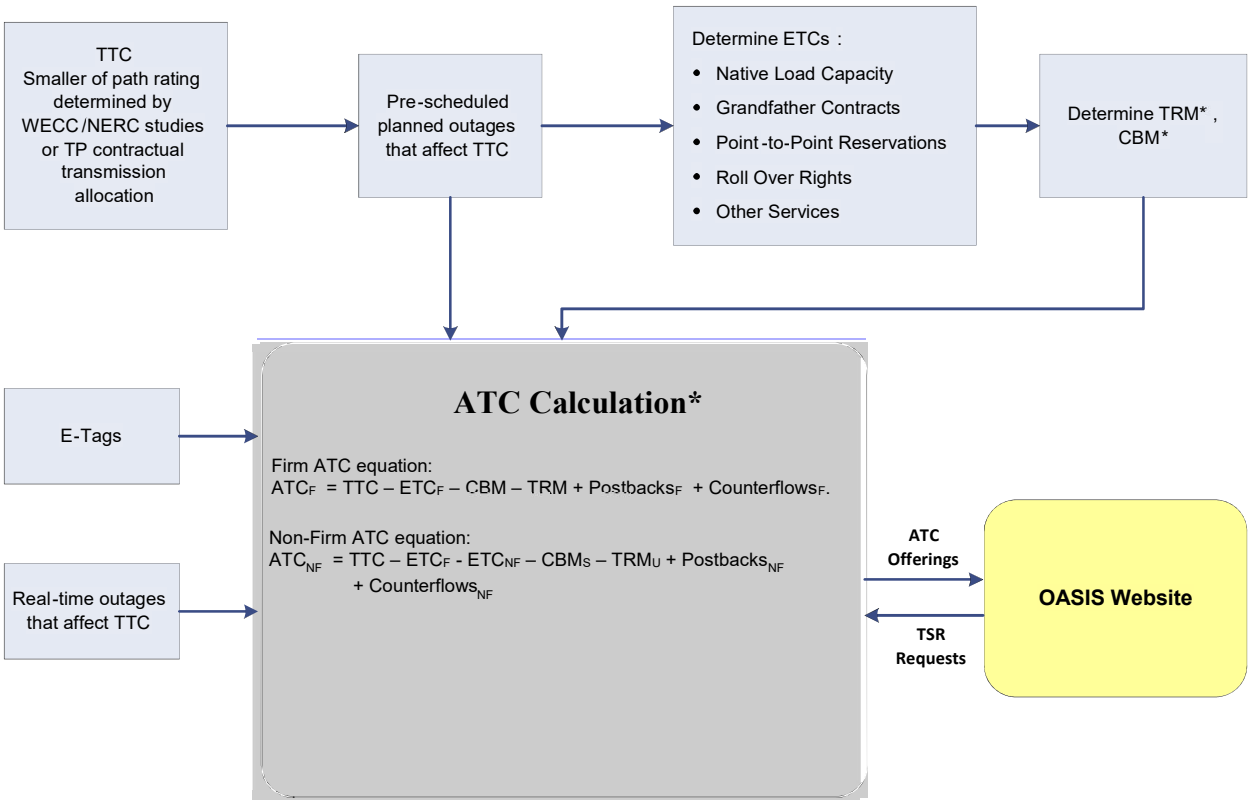
d. OASIS

The Transmission Provider's OASIS is provided by Open Access Technology International, Inc. (OATI) and is located at

https://www.oasis.oati.com/ldwp/

3. Process Flow Diagram

The process Transmission Provider uses to calculate ATC is illustrated as follows:



* Transmission Provider does not use TRM or CBM but may use them in the future.

4. Determination of TTC

a. Calculation Methodology

The currently effective version of NERC Reliability Standard MOD-029 ("Rated System Path Methodology") is used to calculate TTCs for ATC Paths.

The TTC posted is the LADWP ownership or contractual share of the line capacity.

Transmission Provider models its system in segments. A segment or a path can be one or more lines in parallel. A posted path usually consists of one or more segments in series. For a posted path with multiple segments, the segment with the most limiting capacity will determine the TTC for the posted path.

TTC for Transmission Provider's internal paths are mostly flow-limited, so the TTC is determined by thermal rating.

b. **Databases used in TTC Assessments**

Transmission Provider uses the applicable WECC developed system seasonal power operating flow base cases.

c. Assumptions Used in TTC Assessments

The assumptions that LADWP uses in its TTC assessments, including load levels, generation dispatch, and modeling of planned and contingency outages, are set out in Requirement R2 of the currently effective version of NERC Reliability Standard MOD-029 ("Rated System Path Methodology"). The load and generation in the applicable WECC seasonal operating base case are adjusted to maximize transfers for the path under study.

5. Determination of ETC

a. **Calculation Methodology**

Transmission Provider uses the following algorithms for Scheduling Horizon, Operating Horizon and Planning Horizon to calculate Firm and Non-Firm Existing Transmission Commitments, as provided in R5 and R6 of MOD-029-1a, respectively.

The equation to calculate firm ETC is:

$$\mathbf{ETC_F = NL_F + NITS_F + GF_F + PTP_F + ROR_F + OS_F}$$

Where:

NL_F is the firm capacity set aside to serve peak Native Load forecast commitments for the time period being calculated, to include losses, and Native Load growth, not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

$NITS_F$ is the firm capacity reserved for Network Integration Transmission Service serving load, to include losses, and load growth, not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

GF_F is the firm capacity set aside for grandfathered Transmission Service and contracts for energy and/or Transmission Service, where executed prior to the effective date of Transmission Provider's Open Access Transmission Tariff or "safe harbor tariff."

PTP_F is the firm capacity reserved for confirmed Point-to-Point Transmission Service.

ROR_F is the firm capacity reserved for Roll-over rights for contracts granting Transmission Customers the right of first refusal to take or continue to take Transmission Service when the Transmission Customer's Transmission Service contract expires or is eligible for renewal.

OS_F is the firm capacity reserved for any other service(s), contract(s), or agreement(s) not specified above using Firm Transmission Service as specified in the ATCID.

The equation to calculate non-firm ETC is:

$$\mathbf{ETC_{NF} = NL_{NF} + NITS_{NF} + GF_{NF} + PTP_{NF} + ROR_{NF} + OS_{NF}}$$

Where:

NL_{NF} is the non-firm capacity set aside to serve peak Native Load forecast commitments for the time period being calculated, to include losses, and Native Load growth, not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

$NITS_{NF}$ is the non-firm capacity set aside for Network Integration Transmission Service serving load (i.e., secondary network service), to include losses, and load growth not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

GF_{NF} is the non-firm capacity set aside for grandfathered Transmission Service and contracts for energy and/or Transmission Service, where executed prior to the effective date of Transmission Provider's Open Access Transmission Tariff or "safe harbor tariff."

ROR_{NF} is the non-firm capacity reserved for Roll-over rights for contracts granting Transmission Customers the right of first refusal to take or continue to take Transmission Service when the Transmission Customer's Transmission Service contract expires or is eligible for renewal.

PTP_{NF} is non-firm capacity reserved for confirmed Point-to-Point Transmission Service.

OS_{NF} is the non-firm capacity reserved for any other service(s), contract(s), or agreement(s) not specified above using non-firm transmission service as specified in the ATCID.

b. Transmission Capacity Set Aside for Native Load Customers and Network Load

Capacity is necessary to meet the forecast load of Native Load Customers and Network Load (including transmission capacity for designated resources or new resources that are needed for load growth or to replace existing resources). As required by the OATT, Transmission Provider on behalf of its Native Load Customers and each Network Customer on behalf of its Network Load submit to the Transmission Provider updates to the capacity needed for load and resources, annually and in the event of a material change. Additional periodic update of load and resources within the year may be required as described in the transmission provider's business practices.

c. Incorporation of Point-to-Point Transmission Service Requests

Existing, confirmed requests for Point-to-Point Transmission Service are modeled using the specified megawatt quantity, Point(s) of Receipt, and Point(s) of Delivery.

d. **Accounting for Rollover Rights**

Transmission Provider, in the absence a Transmission Customer providing notice to terminate rights, assumes that a Transmission Customer will exercise rollover for existing long-term Transmission rights. To account for this assumption, transmission in the amount of the confirmed transmission service request is set aside. If a Transmission Customer does not exercise its rollover right, that amount may be removed from ETC.

e. Process for Ensure that Non-Firm Capacity is Released Properly

In the scheduling horizon, reserved capacity that is not scheduled will be posted back as non-firm ATC. This Postback occurs automatically based on the tags or schedules submitted which are compared against transmission reservations and existing commitments.

6. AFC Methodology

Transmission Provider does not currently use a flowgate methodology to calculate ATC.

7. **Determination of TRM**

Transmission Provider does not use TRM but may use TRM in the future.

8. Determination of CBM

Transmission Provider does not use CBM but may CBM in the future.

ATTACHMENT D

Methodology for Completing a System Impact Study and Form Agreement

1. Methodology

The Transmission Provider will perform studies, when necessary, that assess whether sufficient transfer capacity is available to provide a requested Transmission Service. Transmission Provider will exercise the same due diligence in performing a System Impact Study for a Transmission Customer as it would for its own use of the system. Transmission Provider will follow Attachment C to this Tariff, reliability principles, standards, and procedures of Western Electricity Coordinating Council (WECC) and the North American Electric Reliability Corporation (NERC) or their successors, in addition to Transmission Provider planning criteria.

In determining the level of capacity available for new Transmission Service requests, the Transmission Provider may exclude from capacity to be made available for new Transmission Service requests, that capacity needed to meet current and reasonably forecasted demand of Native Load Customers, customers with existing firm contracts and potential customers having pending valid requests for firm transmission under this Tariff.

Factors to be considered in determining the capacity availability on the transmission system will include but not be limited to:

(1) ~~(1)~~ Steady state power flow study results;
(2) ~~(2)~~ Stability study results;
(3) ~~(3)~~ WECC, NERC, and ~~APS'~~LADWP's system design criteria;
(4) ~~(4)~~ Transmission capacity of the existing system;
(5) ~~(5)~~ Transmission capacity of the system after the request is added;
(6) ~~(6)~~ Reliability requirements of ~~APS~~LADWP and applicant; ~~and~~
(7) ~~(7)~~ Type and terms of the service requested;~~.~~
(8) Capacity needed to meet current and 10-year forecasted load of Native Load Customers and Network Customers' loads; and
(9) Capacity needed to meet contractual obligations that are expected before the requested Transmission Service begins.

2. Form of System Impact Study Agreement

Transmission Provider shall utilize the form of System Impact Study Agreement set forth below:

SYSTEM IMPACT STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of_____, 20__ by and between **[insert Transmission Customer]**, existing under the laws of _____, sometimes hereinafter referred to as ("Eligible Customer") 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 ("Transmission Provider "). Eligible Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Eligible Customer has submitted a Completed Application (the "Application") for Firm Point-To-Point Transmission Service pursuant to Section 17.2 of the Open Access Transmission Tariff ("Tariff") for the Transmission Provider (as may be supplemented, modified, or replaced);

WHEREAS, Eligible Customer has requested **[insert]** MW of Firm Point-To- Point Transmission Service from **[insert]**, under Request No. **[insert]**, to commence on **[insert]** and end on **[insert]**.

WHEREAS, Eligible Customer has received notice from the Transmission Provider that a System Impact Study is necessary to accommodate the service requested in the Application; and

WHEREAS, the Transmission Provider must cause the preparation of a System Impact Study to assess the adequacy of the Transmission System and any other affected systems to accommodate the Application.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

ARTICLE 1. DEFINITIONS

1. The terms used in this Agreement with initial capitalization shall have the meanings

specified in the Tariff.

ARTICLE 2. TERMINATION

2.1 Effective Date. This Agreement shall become effective on the date on which this Agreement is made and fully executed by the Parties ("Effective Date").

2.2 Term. This Agreement shall become effective as provided in Section 2.1 of this Agreement and shall continue in full force and effect until the earlier of (i) the Parties agree to mutually terminate this Agreement, (ii) One year after the Effective Date; or (iii) earlier termination as provided for under this Agreement.

2.3 Termination for Breach. A Party may terminate this Agreement upon thirty (30) days advance notice to the other Parties of a breach by a Party to this Agreement; provided that, the terminating Party notified the breaching Party in writing of the alleged breach and the breaching Party failed to cure such breach within fifteen (15) businessdays after the date of said notice and further provided that such terminating Party complies with any and all applicable laws, rules and regulations relating to such termination.

2.4 Termination or Withdrawal. Any request to terminate or withdraw from a study shall be deemed as a withdrawal of the Application in accordance with Section 19 of the Tariff.

2.5 Liability on Termination. Eligible Customer shall remain liable to the Transmission Provider for costs of the System Impact Study already incurred, costs of the System Impact Study that cannot be reasonably avoided and any costs associated with terminating the System Impact Study.

ARTICLE 3. STUDY

3.1 Study. The Transmission Provider shall cause a System Impact Study to be performed in accordance with the applicable provisions of the Tariff. The Transmission Provider shall rely on existing transmission planning studies as provided in the Tariff. Allterms and conditions of the Tariff are incorporated herein by reference.

3.2 Scope. The scope of the System Impact Study shall be as set forth in the Tariff and shall be subject to the data and other information provided in the Application and any additional information, assumptions or methodology set forth in Attachment D of the

Tariff. Eligible Customer shall review the data and information that it has provided to the Transmission Provider and provide updated data and information as necessary. The Transmission Provider will advise Eligible Customer of additional information as may be reasonably deemed necessary by the Transmission Provider to complete the System Impact Study and Eligible Customer shall promptly submit the additional information. Such additional information shall be obtained only if required by Good Utility Practice and shall be subject to the consent of Eligible Customer, not to be unreasonably withheld, conditional or delayed.

3.3 Report. The final report of the System Impact Study shall identify the following information:

3.3.1 Any system constraints due to thermal overload, voltage limit violations, or instability or inadequately damped response to system disturbances resulting from the service requested by the Application.

3.3.2 A preliminary estimate of the scope of any Direct Assignment Facilities or Network Upgrades required to accommodate the Application.

3.3.3 Together with a copy of the final report, the related work papers shall be made available to the Eligible Customer.

3.4 Coordination. The Transmission Provider will coordinate the System Impact Study with any affected Transmission Provider, and with any Regional Transmission Organizations ("RTO") or Independent System Organization ("ISO"). If the required study coordination effort increases the expected study scope, study costs or delays the expected completion date, the Transmission Provider will inform the Eligible Customer. Eligible Customer acknowledges and agrees that Transmission Provider will provide all Confidential Information and/or study data that is reasonably needed by any Transmission Provider, RTO or ISO participating in the System Impact Study and toother parties as may be required by the Tariff or applicable federal, state or local law, ruleor regulation.

3.5 Estimated Time. The estimated time for completion of the System Impact Study is sixty (60) days. The Transmission Provider shall use due diligence to complete the System Impact Study within the estimated time. If Transmission Provider is unable to complete the System Impact Study within the time period, it shall notify the Transmission Customer and provide an estimated completion date with an explanation of the reasons why additional

time is required.

3.6 Representative. Eligible Customer shall appoint and make available to the Transmission Provider a designated and authorized representative through which the Transmission Provider can coordinate work pertaining to the System Impact Study.

ARTICLE 4. COSTS AND PAYMENT

4.1 Estimated Cost. The estimated cost for performance of the System Impact Study is **[[insert dollar amount]]**. The estimated cost is the Transmission Provider's good faith estimate of the costs to perform the System Impact Study. The estimated cost does not include any costs incurred by other Transmission Providers, RTOs or ISOs.

4.2 Reimbursement. Eligible Customer shall reimburse the Transmission Provider in full for performing the System Impact Study. Eligible Customer shall also reimburse any Transmission Provider, RTO or ISO in full for performing any work related to the System Impact Study, either directly or through payment to the Transmission Provider. These reimbursements shall include payment for all actual costs of the System Impact Study. As provided in the Tariff, Eligible Customer shall not be charged for existing transmission planning studies, but will be responsible for charges associated with modifications to the existing transmission planning studies that are reasonable necessary to evaluate the impact of the Application.

4.3 Deposit and Payment. The Eligible Customer shall submit with this System Impact Study Agreement a deposit in the amount of $50,000.00 (the "Deposit"). The Deposit will be applied toward the costs of the System Impact Study to be reimbursed by the Eligible Customer pursuant to Paragraph 4.2 of this Agreement. Eligible Customer shall prepay the costs of any study, analysis and review work performed by or on behalf of the Transmission Provider or, as applicable, any affected Transmission Provider, RTO or ISO, to the extent such costs exceed the Deposit. The Transmission Provider shall refund to the Eligible Customer any portion of the Deposit that exceeds the amount of the coststo be reimbursed pursuant to Paragraph 4.2. The Transmission Provider shall invoice the Eligible Customer, from time to time, for the amount(s) by which costs to be reimbursed pursuant to Paragraph 4.2 exceed the amount of the Deposit and any prepayments. The Eligible Customer shall pay any such invoice within thirty (30) days of receipt.

ARTICLE 5. MISCELLANEOUS PROVISIONS

5.1 Indemnification. The Eligible Customer shall at all times indemnify, defend, and hold harmless the Transmission Provider, its officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, without limitation, business interruption, death, bodily injury or personal injury to any person, damage or destruction or loss of use to or of any property (financial, physical, or intellectual) by or to third parties (collectively "Losses") arising by reason of or incident to or directly or indirectly related to Transmission Provider performing or causing to be performed the System Impact Study in whole or in part under this Agreement on behalf of the Eligible Customer, except in cases of gross negligence or intentional wrongdoing by the Transmission Provider.

5.2 Accuracy of Information. The Eligible Customer represents and warrants that, to the best of its knowledge and in accordance with Good Utility Practice, the information that it provides to the Transmission Provider in connection with this System Impact Study Agreement and the System Impact Study is accurate and complete. The Eligible Customer acknowledges and accepts that it has a continuing obligation under this System Impact Study Agreement to promptly provide the Transmission Provider with any additional information required to update the information previously provided within no less than forty-eight (48) hours.

5.3 Disclaimer of Warranty; Limitation of Liability and Release. In performing or causing the System Impact Study to be performed, the Transmission Provider may rely on the information provided by the Eligible Customer and third parties, which Transmission Provider may not have any control over the veracity or accuracy of such information. For data, information and other studies submitted by the Eligible Customer or obtained from third parties or industry sources,

TRANSMISSION PROVIDER HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE ELECTRIC INDUSTRY, OR OTHERWISE, INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. FURTHERMORE, TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO ELIGIBLE CUSTOMER UNDER ANY CIRCUMSTANCES,

UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHERSUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO ELIGIBLE CUSTOMER.

ELIGIBLE CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIACIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THIS RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLYAFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, ELIGIBLE CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

Upon execution of this System Impact Study Agreement, the Eligible Customer acknowledges and accepts that it has not relied on any representations or warranties not specifically set forth herein.

5.4 Representations and Warranties. The Eligible Customer represents and warrants that it is free to enter into this Agreement and to perform each of the terms and covenants of it. The Eligible Customer represents and warrants that it has undertaken or will cooperate with Transmission Provider in undertaking any environmental review required for its proposed project, including but not limited to the California Environmental QualityAct (CEQA) as amended and stated within Cal. Pub. Res. Code §§ 21000-21178 or any successor statute; provided however, Transmission Provider's undertaking and completion of the System Impact Study, or issuance of a system impact study report,shall neither be construed as a guarantee of an agreement nor an approval of theproposed project. The Eligible Customer further represents and warrants it is not restricted or prohibited contractually or

otherwise, from entering into and performing this agreement, and that the execution and performance of this Agreement by Eligible Customer will not constitute a violation or breach of any other agreement between it and any other person or entity.

5.5 Force Majeure. If a Force Majeure Event prevents the Transmission Provider from fulfilling any obligations under this System Impact Study Agreement, Transmission Provider shall promptly notify the Eligible Customer in writing, and shall suspend or modify its performance under said agreement until the Force Majeure Event, to the extent that the effect of the Force Majeure Event cannot be mitigated by use of Good Utility Practice or commercially reasonable efforts. For purposes of this System Impact Study Agreement, a "Force Majeure Event" means any event or circumstance caused by reason of Force Majeure that prevents or delays Transmission Provider's performance under this Agreement which (a) is beyond the reasonable control of the Transmission Provider and (b) was unable to be prevented or provided against by exercising Good Utility Practice or commercially reasonable efforts. In the event that the Transmission Provider suspended its performance, it shall resume its obligations under this System Impact Study Agreement as soon as reasonably possible upon resolution of the Force Majeure Event.In the event that the Parties mutually agree to modify Transmission Provider's performance as a result of the Force Majeure Event, this System Impact Study Agreement~~shall be modified in accordance with Section 5.12 herein.~~ shall be modified in accordance with Section 5.~~6~~ 12 herein.

5.6 Assignment. This System Impact Study Agreement shall not be assigned, conveyed or transferred to any third party ~~unless the provisions of Section 4.3 of the LGIP have been satisfied and Transmission Provider consents to such assignment, conveyance or transfer in writing.~~ without the written consent of both Parties.

5.7 Governing Law. This Agreement was made and entered into in the City of Los Angeles and 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.

5.8 Venue. All litigation arising out of, or relating to this System Impact Study Agreement, shall be brought in a court of competent jurisdiction located in Los Angeles County, 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.*

5.9 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this System Impact Study Agreement, orwith respect to any other matter arising in connection with said agreement, shall not be deemed a waiver with respect to any subsequent default or other mater arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

5.10 Binding Effect. This System Impact Study Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors or assigns, subject to Sections 4.3 of the LGIP.

5.11 Attorney Fees and Costs. Both Parties agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorney fees and costs.

5.12 Entire Agreement. This System Impact Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This Agreement may be amended only by a written document signed by 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.

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

By: _____

Title: _____

Date: _____

[INSERT TRANSMISSION CUSTOMER]

By: _____

Title: _____

Date: _____

ATTACHMENT E

Index of Point-To-Point Transmission Service Customers

A list of LADWP Point-To-Point Transmission Service Customers can be found when you log on to the OATI OASIS WestTrans website located at:

https://www.oasis.oati.com.

ATTACHMENT F

Form of Service Agreement for
Network Integration Transmission Service

Service Agreement For
Network Integration Transmission Service

1. This Service Agreement, dated as of _____, is entered into by and between the City of Los Angeles Department of Water and Power ("LADWP" or "Transmission Provider"), and_____("Transmission Customer"), and shall become effective on the date of its execution.

2. Transmission Customer has been determined by Transmission Provider to have a Completed Application for Network Integration Transmission Service under Part III of this Tariff and has provided the Transmission Provider an Application Deposit in the amount of $_____ in accordance with Section 29.2 of the Tariff.

3. Transmission Customer shall execute a Network Operating Agreement with LADWP in accordance with Section 35.2 of the Tariff prior to commencement of transmission service hereunder.

4. In accordance with Section 2 of the Tariff, the maximum term for Network Integration Transmission Service, including all renewals granted, shall be limited to three years, unless:

4.1 In the exclusive determination of Transmission Provider, the Eligible Customer has satisfied the requirements of the Governmental Person Use Certification and the requirements of Section 5.2 of the Tariff, in which case the maximum term shall be specified in the Service Agreement for Network Integration Transmission Service; or

4.2 The Transmission Provider and a firm Network Integration Transmission Service customer with a contract term of two (2) years or more have mutually agreed to add the automatic renewal option set forth in Section 2.2.2 of the Tariff to the initial Service Agreement for Network Integration Transmission Service.

5. Service under this Service Agreement shall commence on (A) the later of (1) _____ or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as mutually agreed upon, and (B) the date that Network Customer and the Transmission Provider have completed all necessary technical arrangements in accordance with the provisions of Sections 29.3 and 29.4 of the Tarff. Service under this Service Agreement shall terminate on _____.

6. If at any time during the term of this Service Agreement the Transmission Provider finds that the Transmission Customer fails to meet the credit requirements of Section 11 and Attachment L to the Tariff as they may be amended, the Transmission Customer shall provide any additional forms of security as required by Attachment L.

7. Transmission Provider shall provide and Transmission Customer shall take and pay for Network Integration Transmission Service in accordance with the provisions of Part III of the Tariff, this Service Agreement, and the Network Operating Agreement, as they may be amended from time to time. Exhibit 1 to this Service Agreement lists initial Network Resources, Network Loads, points of interconnection between Transmission Customer's facilities and Transmission Provider's Transmission System, and Transmission Customer's initial Load Ratio Share.

8. Any notice or request made to or by either Party regarding this Service Agreement shall be made in writing to the representative of the other Party as indicated below.

Transmission Provider:

_____

_____

_____

Network Customer:

_____

_____

_____

9. The Tariff specifications for Network Integration Transmission Service, and the Network Operating Agreement are incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective officials.

City of Los Angeles Department of Water and Power:

By: _____

Title: _____

Date:

Network Customer:

By: _____

Title: _____

Date:

ATTACHMENT F, EXHIBIT 1

SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE

1.0 This Service Agreement, dated as of _____, is entered into, by and between LADWP ("Transmission Provider"), and _____ ("Network Customer").

2.0 Term of Network Integration Transmission Service:

Start Date:_____
Termination Date:_____

3.0 Description of capacity and/or energy to be transmitted by Transmission Provider across the Transmission Provider's Transmission System (including electric control area in which the transaction originates). MWs of the eligible retail customer or authorized agency's requirements may originate from firm resources located outside of the Transmission Provider's Transmission System and will be transmitted across the Transmission Provider's Transmission System subject to point-to-point transmission service from the Point(s) of Receipt listed below. The remaining MWs of the eligible customer or authorized agency requirements (Network Load plus Losses) will originate from inside the Transmission Provider's Transmission System as designated below. Non-firm energy will be transmitted on an as available basis when requested by the eligible customer or authorized agency:

_____
_____
_____

4.0 Network Resources:

4.1 Transmission Customer Generation Owned:

Resource	Directly interconnected with Transmission System? Y/N	Total Capacity	Capacity Designated as Network Resource

4.2 Transmission Customer Generation Purchased:

Source	Total Capacity

4.3 Total Network Resources: (1) + (2) = _____

5.0 Transmission Load

Eligible customer's Network Load: Eligible Customer's Network Load measured at the Point(s) of Delivery listed below is its full load requirement as it changes from time to time, including load growth. Eligible Customer's most recent coincident peak load measured at Point(s) of Delivery and adjusted for distribution and transmission losses as appropriate is ___ MW.

5.1 Network Customer's Network Load:

Network Load	Points of Delivery	Delivery Transmission Voltage Level	MW or % of Load

5.2 Total Network Load =

6.0 Designation of party(ies) subject to reciprocal service obligation:

_____

7.0 Name of any intervening systems providing transmission service:

_____

_____

_____

8.0 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.)

8.1 Load Ratio Share of Annual Transmission Revenue Requirement.

8.1.1 For the first twelve months of service under this Service Agreement commencing on the Start Date set forth in Section 1 of the Specifications, Transmission Customer's Load Ratio Share will be determined based on Transmission Customer's average Load Ratio Share in the months in which Transmission Customer has taken service. After the first twelve months of service, Load Ratio Share will be calculated on a rolling twelve-month average basis.

8.2 System Impact and/or Facilities Study Charge(s): _____

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services:

8.4.1 Scheduling System, Control and Dispatch Service: _____

8.4.2 Reactive Supply and Voltage Control from Generation or Other Sources Service: _____

8.4.3 Regulation and Frequency Response Service: _____

8.4.4 Energy Imbalance Service: _____

8.4.5 Operating Reserve - Spinning Reserve Service:_____

8.4.6 Operating Reserve - Supplemental Reserve Service: _____

8.5 Redispatch Charges: _____
8.6 Power Factor Requirements:_____

Transmission Provider:

By: _____ _____
Name, Title, Date

Network Customer:

By:_____ _____

Name, Title, Date

ATTACHMENT G

Form of Operating Agreement for Network Integration Transmission Service

Network Operating Agreement

1. Parties

This Network Operating Agreement ("Agreement" or "Operating Agreement") is entered into by and between the City of Los Angeles on behalf of its Department of Water and Power ("LADWP" or "Transmission Provider"), and _____ ("Network Customer"), which hereinafter may be referred to collectively as "Parties" and individually as "Party."

2. Recitals

2.1 The Network Customer has executed a Service Agreement for Network Integration Transmission Service ("Service Agreement") with LADWP; and

2.2 LADWP and the Network Customer desire to enter into this Operating Agreement to specify (i) the terms and conditions under which the Network Customer will operate its facilities that interconnect with LADWP's Transmission Facilities and (ii) the technical and operational matters associated with implementation of Network Integration Transmission Service in accordance with the Tariff.

NOW, THEREFORE, in consideration of the promises, covenants, and conditions contained in this Agreement, the Parties agree as follows:

3. Effective Date and Term of Service

3.1 This Operating Agreement shall become effective upon execution by both Parties and shall terminate upon the termination of the Service Agreement between LADWP and the Network Customer.

3.2 This Agreement is entered into in implementation of Network Integration Transmission Service in accordance with the Tariff and the Service Agreement. This Agreement shall neither amend nor supersede the Tariff or Service Agreement. All terms and conditions of the Tariff and the Service Agreement related to Network Integration Transmission Service are incorporated herein by this reference. In the event of any conflict between the terms of the Tariff and the terms of this Agreement, the terms of the Tariff shall govern.

4. Definitions

Terms used herein with initial capitalization, whether in the singular or the plural, shall have the meanings specified in the Tariff and are hereby incorporated into this Operating Agreement. Terms used herein, whether in the singular or the plural, which are not defined in the Tariff shall have the following meanings:

4.1 **Transmission Reduction Plan**: A plan provided by the Network Customer to the Transmission Provider which directs the systematic adjustment of the network transmission capacity for the Network Customer or the Eligible Customer, to match the Network Customer's available Network Resources in order to maintain system reliability.

4.2 When the terms **Load Responsibility**, **Regulating Margin**, **Most Severe Single Contingency** (MSSC), **Non-Spinning Reserves**, **Operating Reserves**, and **Spinning Reserves** are used herein, the WECC definitions of those terms apply.

5. Metering and Communication Equipment

5.1 The Transmission Provider shall install, own, and maintain revenue quality meters at each point of interconnection between the Transmission Provider's Transmission System and the Network Customer's Network Load and Network Resources. If feasible, such meters shall be installed at the high voltage bus at each point of interconnection of the Transmission Provider's Transmission System with the Network Customer's Network Load and with any Network Resources directly connected to the Transmission Provider's Transmission System. The meters shall measure and record both real power (watts) and reactive power (vars) flow, if applicable, in both directions. Meters not installed at the high voltage bus or at the point of interconnection shall be compensated for line losses and transformation losses to the point of interconnection, if applicable.

5.1.1 The Transmission Provider shall read or retrieve meter data at midnight (Pacific Time) on the last day of each calendar month or such other time as may be required to carry out the provisions of the Tariff. The Transmission Provider shall use the meter data for determining energy imbalances, accounting, and billing.

5.1.2 The revenue meters shall be tested by the Transmission Provider at least once a year and within ten (10) Working Days after a request by the

Network Customer. The Network Customer shall pay for the cost of the requested test if the meter has been tested within the previous twelve months. The Network Customer will be afforded the opportunity to be present during any meter test. The Transmission Provider shall promptly repair, adjust, or replace any meter or associated equipment found to be defective or inaccurate.

5.1.3 The Transmission Provider shall adjust the recorded data to compensate for the effect of an inaccurate meter. Such adjustment shall be made for a maximum period of thirty days prior to the date of the test or for the period during which such inaccuracy may be determined to have existed, whichever period is shorter. No adjustment prior to the beginning of the next preceding month shall be made except by agreement of the Parties. Should any meter fail to register, the Transmission Provider shall estimate, from the best information available, the demand created, energy flow, and var flows during the period of the failure. The Transmission Provider shall, as soon as possible, correct the Network Customer's bills affected by the inaccurate meter. That correction, when made, shall constitute full adjustment of any claim arising out of the inaccurate meter for the period of the correction.

5.2 The Network Customer and the Transmission Provider shall install communications facilities, equipment, and software to schedule and monitor Network Load and any directly connected Network Resources, to exchange data, and for any other purpose as reasonably required to implement this Agreement, the Service Agreement, and the Tariff in accordance with Good Utility Practice. Such installation shall be at the Network Customer's expense.

5.3 All metering, communications, and data exchanges required to implement this Agreement, the Service Agreement, and the Tariff shall be automated to the greatest extent practical. The Network Operating Committee shall coordinate standards and specifications for metering and communications equipment as well as any related hardware and software required to implement this Agreement, the Service Agreement, and the Tariff, provided such metering and communications equipment and any related hardware and software shall, if possible, be compatible with the Transmission Provider's existing or planned facilities or software, meet all applicable WECC and NERC standards and regional criteria , and be consistent with Good Utility Practice.

5.4 The Network Customer shall procure, install and maintain, at its sole expense, all metering for its Network Resources directly connected to its system, and any communications equipment, and any related hardware and software required to be installed on its system or on the system of the Eligible Customer it serves, in accordance with this Section 5. The Network Customer shall reimburse the Transmission Provider for all expenses incurred by the Transmission Provider for any metering and communications equipment, and related hardware and software, including any modifications to existing facilities or software required for the Transmission Provider to provide Network Integration Transmission Service in accordance with this Agreement, the Service Agreement, and the Tariff.

6. Qualifications For Network Resources

All designated Network Resources directly interconnected to the Transmission Provider's Transmission System shall be capable of performing in accordance with applicable NERC and WECC standards and regional criteria and Good Utility Practice. If the Network Customer elects to provide any Ancillary Services using its Network Resources, the Parties shall agree upon any communications, control, protection or other equipment required in accordance with applicable NERC and WECC criteria and Good Utility Practice to be installed on the system of the Network Customer or the Eligible Customer receiving service, as applicable, or the Transmission Provider's system in order for the Network Customer to provide such Ancillary Services. Any equipment or facilities required for the Network Customer to provide such Ancillary Services shall be procured, installed, and maintained at the Network Customer's sole expense

7. Interconnection of Network Resources or Transmission Facilities

7.1 The Network Customer shall interconnect its Network Resources, if applicable, and its own transmission facilities with the Transmission Provider's Transmission System in accordance with all applicable WECC and NERC standards and regional criteria and Good Utility Practice. The facilities and procedures required for such interconnection(s) shall be consistent with applicable NERC and WECC standards and regional criteria, this Agreement, the Tariff, and Good Utility Practice.

7.2 The Network Customer, at its sole expense, shall procure, install, and maintain all equipment and facilities on its side of the interconnection as applicable. The Transmission Provider shall own, install, and maintain all facilities necessary to interconnect such Network Resource or transmission facility to the

Transmission System on the Transmission Provider's side of the interconnection at the Network Customer's sole expense. Such interconnection facilities shall include any equipment necessary to protect the Transmission Provider's system, including, but not limited to, short circuit protection, breaker closing/reclosing control, loss of synchronism, overcurrent/undercurrent devices such as relays, remote terminal units, circuit breakers, and meters. Such facilities shall meet the Transmission Provider's specifications and shall be subject to inspection and testing by the Transmission Provider.

7.3 The Network Customer shall operate its directly interconnected Network Resources, as applicable, and directly interconnected transmission facilities in accordance with any applicable NERC or WECC standards and regional criteria and Good Utility Practice. Such operation includes, but is not limited to, following voltage schedules, free governor response, meeting power factor requirements at the point of interconnection with the Transmission Provider's system, equipment maintenance coordination, and communication of necessary data, information, or reports. The Network Customer shall pay the cost of any needed modification of the Transmission Provider's computer hardware and software to accommodate the Network Customer's Regulating Margin and Operating Reserve requirements. Any resources used by the Network Customer to meet its Regulating Margin and Operating Reserve requirements, whether the Network Customer's applicable Network Resources or a third party's generating resources, shall meet the same requirements as the Transmission Provider's generating resources used to meet the Regulating Margin and Operating Reserve requirements, including but not limited to, automatic generation control capability, ramp rate, and governor response, and are subjected to random testing, and if applicable, a monthly start-up test.

8 Interconnection of Customer Load

8.1 Facilities for the interconnection of the Network Customer's Network Load to the Transmission Provider's Transmission System shall be installed, operated and maintained in accordance with Good Utility Practice.

8.2 The Network Customer desires to receive service as described in the Service Agreement. Any applicable service criteria of the Network Customer, including, but not limited to, any redundancy desired in transmission elements available to serve Network Load from the Transmission Provider's Transmission System shall be specified by the Network Customer. If technically feasible, the Transmission Provider shall provide service as requested in the Service Agreement

and in accordance with such criteria, conditioned on the Transmission Provider obtaining any necessary regulatory permits and complying with any other state or local requirements for the construction of any required facilities.

8.3 The Network Customer shall keep the Transmission Provider informed on a timely basis of any changes in its Network Load and its designated Network Resources as required under the Tariff. The Network Customer shall cooperate in the planning of any addition to or upgrade of interconnection facilities to accommodate Network Load growth or a Network Resource addition.

8.4 The Transmission Provider shall own, operate, and maintain all interconnection facilities on the Transmission Provider's side of the interconnection with the Network Customer's Network Load. The Network Customer shall pay all costs and expenses for such interconnection facilities that are used exclusively to provide Network Integration Transmission Service to the Network Customer including, but not limited to, the costs of permitting, planning, procuring, constructing, owning, maintaining, and operating any such facilities.

8.5 The Network Customer shall provide and maintain, at its sole expense, facilities on its side of the interconnection in accordance with Good Utility Practice. The Network Customer shall install protective equipment on its system and take any other reasonable measures to protect the safe and reliable operation of the Transmission Provider's system from disturbances on the Network Customer's system in accordance with Good Utility Practice.

8.6 The Network Customer shall provide or facilitate the Transmission Provider's access to the interconnection facilities of the Network Customer to the extent necessary for the Transmission Provider to construct, operate, or maintain interconnection facilities. The Parties shall cooperate with one another in scheduling maintenance to any interconnection facility or in taking any interconnection facility out of service, provided that in an emergency the Transmission Provider may take facilities out of service if necessary to protect the Transmission Provider's system.

8.7 Unless otherwise mutually agreed, each Party shall provide the reactive power requirement of its own electric system or, if the Network Customer is serving an Eligible Customer, the electric system of the Eligible Customer receiving service, and each Party shall cooperate to control the flow of such reactive power to prevent the introduction of objectionable operating conditions on

the other Party's system or on that of the Eligible Customer receiving service.

9.0 Control Area Requirements and Ancillary Services

9.1 A Network Customer shall ensure that, to the extent it has its own Control Area that is directly interconnected to the Transmission Provider's Control Area, that interconnected Control Area satisfies its own balancing requirements, including all necessary Ancillary Services, by: (i) operating as a Control Area under applicable guidelines of NERC and WECC; or (ii) contracting with the Transmission Provider to provide Control Area services; or (iii) providing such services itself or contracting with a third party in a manner that is consistent with Good Utility Practice and which satisfies applicable NERC and WECC requirements.

9.2 The Network Customer shall provide to the Transmission Provider a Transmission Reduction Plan on behalf of itself or the Eligible Customer it is serving, as applicable, to facilitate the matching of transmission capacity with the resources available to serve load. The Transmission Reduction Plan shall be provided before service commences and thereafter updated at least annually or whenever the Network Customer revises its designated loads and/or resources.

9.3 A Network Customer that arranges to have a third party meet its Operating Reserve requirements shall also meet the requirements of Section 9.3 above. The Operating Reserve requirement for the Network Customer is as specified by the WECC and as implemented by the Transmission Provider. Inasmuch as the Transmission Provider is obligated to meet the WECC's requirements, as they may be modified from time to time, the Network Customer recognizes and agrees that its Operating Reserve requirement may change to reflect WECC modifications.

9.4 In order to facilitate the use of Operating Reserves from outside the Control Area, the Network Customer shall have available unloaded reserved firm transmission capacity at least equal to that Operating Reserve amount. Such transmission may be loaded with interruptible energy so that, upon interruption of the energy, transmission service is available to replace such energy from the Operating Reserves.

9.5 The Network Customer shall restore Operating Reserves to the required level within sixty (60) minutes of the event necessitating the loading of the

reserve.

9.6 If in real time, the Network Customer has not scheduled sufficient resources to match its actual load and the Network Customer is notified by the Control Area operator that its resource shortage is impacting system reliability, the Network Customer shall supplement and/or adjust its scheduled Network Resources within fifteen (15) minutes of such notification by the Control Area operator.

9.7 In the event that the Network Customer does not balance its loads and resources as required in Sections 9.4 or 9.5, above, the Control Area operator will initiate the Network Customer's Transmission Reduction Plan as provided pursuant to Section 9.2.

10. Network Planning

10.1 By February 1 of each year or such other time as the Network Operating Committee may agree, the Network Customer shall provide to the Transmission Provider its load and resource plans applicable to the Service Agreement(s) for itself or for the Eligible Customer to which it is providing service, as applicable, pursuant to Sections 29.2 and 35.2 of the Tariff. Such resource plans shall list the Network Customer's existing and planned generating resources that will serve as Network Resources for the Service Agreement(s). In the event the Service Agreement(s) load(s) will be satisfied by resources interconnected to a system outside of the Transmission Provider's Transmission System, the Network Customer may provide a resource plan that demonstrates and confirms the firm supply of generation designated for the Service Agreement(s) that meets the definition of "Network Resource" in the Tariff. In addition, in the event the Service Agreement(s) load(s) will be satisfied by resources interconnected to a system outside of the Transmission Provider's Transmission System, the Network Customer shall demonstrate that it has arranged point-to-point transmission service. In addition, the Network Customer must provide any planned transmission facility additions or upgrades and expected loads, that may affect the service to be provided under the Service Agreement(s) for each of the next ten (10) years or such other period(s) as may be agreed by the Network Operating Committee. The Network Customer shall provide information regarding any planned Network Resource to be interconnected to the Transmission Provider's Transmission System, as required by the Tariff, or by the Network Operating Committee, or by the Transmission Provider as reasonably necessary for efficient Transmission

System planning.

10.2 The Network Operating Committee shall coordinate the maintenance schedules of any of any Network Customer's or its Eligible Customer's generating resources and transmission and substation facilities directly interconnected to the Transmission Provider's Transmission System, to the greatest extent practical, to ensure sufficient transmission resources are available to maintain system reliability and reliability of service. By February 1 of each year, the Network Customer shall provide to the Transmission Provider the maintenance schedules and planned outages of each of its designated network generating resources directly interconnected to the Transmission Provider's Transmission System for the next year, and the Network Customer shall update the information at least thirty days in advance of the date specified for the forecasted maintenance outage. Such information shall include, but not be limited to, the expected time the unit will be separated from the system and the time at which the unit is available for (i) parallel operation, (ii) loading, and (iii) if applicable, to be put on automatic generation control.

10.3 The Network Customer shall obtain (i) concurrence from the Transmission Provider at least 72 hours before beginning any scheduled maintenance of its own and/or its Eligible Customer's, as applicable, directly interconnected facilities and (ii) clearance from the Transmission Provider when the Network Customer is ready to begin maintenance on a designated generating resource located within the Transmission Provider's Control Area, or a transmission line or substation interconnected to the Transmission Provider's Transmission System. The Network Customer shall immediately notify the Transmission Provider at the time when any unscheduled or forced outages occur and again when such unscheduled or forced outages end. The Network Customer shall notify and coordinate with the Transmission Provider prior to re-paralleling the generating resource, transmission line, or substation.

11. Scheduling of Network Resources

11.1 The Network Customer shall provide the Transmission Provider with such reports and information concerning its network operation as are reasonably necessary to enable the Transmission Provider to operate the Transmission System efficiently.

11.2 All schedules from either inside or outside of the Transmission Provider's

Control Area shall be in whole megawatts. Forecasts of generation and load from within the Transmission Provider's Control Area shall also be in whole megawatts.

11.3 The Network Customer shall notify the Transmission Provider of forecasted Network Load and intended hourly schedules of Network Resources, any economy energy purchases for the next day(s) of operation, and relevant interchange schedules consistent with the timing and obligations set forth in the Transmission Provider's OATT. The Network Customer shall transmit all the preschedules and forecasts to the Transmission Provider in a format compatible with the Transmission Provider's energy management system or similar equipment. Such preschedules and forecasts shall include, as applicable:

(a) each import into or export out of the Transmission Provider's Transmission System portion of the Transmission Provider's Control Area from Network Resources and economy energy purchases;

(b) each power purchase and sale from within the Control Area;

(c) losses;

(d) generation from each generating resource;

(e) Network Load at each point designated in the Service Agreement;

(f) regulating margin;

(g) spinning and non-spinning reserve from each Network Resource;

(h) spinning and non-spinning reserve purchased from the Transmission Provider or from each third party;

(i) available capacity from each Network Resource and the Network Customer's MSSC;

(j) transmission service associated with each preschedule and forecast;

(k) incremental cost data for each Network Resource; and

(l) any other information as required by the Transmission Provider to schedule the Network Customer's Network Resources in accordance with the Tariff.

11.4 On or before seven (7) days in advance of each operating day, the Network Customer shall provide the Transmission Provider with a preliminary forecast for each operating day specifying, as relevant and applicable to the service to be provided under the Service Agreement(s), forecasted generation, interchange, and load. On or before five (5) days before the beginning of each month, the Network Customer shall submit a forecast of total monthly energy and operating reserves to be purchased from the Transmission Provider, and/or a third party, and/or to be supplied by the Network Customer.

11.5 The Network Customer shall provide to the Transmission Provider information including, but not limited to, watts, vars, generator status, generator breaker status, generator terminal voltage and high side transfer voltage for any Network Resources directly interconnected to the Transmission Provider's Transmission System, unless otherwise agreed.

11.6 The Network Customer shall provide generating resource characteristics for any Network Resources directly interconnected to the Transmission Provider's Transmission System to the Transmission Provider as necessary to implement redispatch and to facilitate constraint and reserve management.

12. **System Security**

12.1 If the Transmission Provider determines that redispatching Network Resources (including reductions in off-system purchases) to relieve an existing or potential Transmission System constraint is the most effective way to ensure the reliable operation of the Transmission System, the Transmission Provider shall redispatch its resources and the Network Customer's Network Resources on a least-cost basis without regard to the ownership of such resources. The Transmission Provider shall inform the Network Customer of its redispatch practices and procedures, as they may be modified from time to time.

12.1.1 Incremental cost data submitted in accordance with Section 11.3 of this Operating Agreement shall be used, along with similar data for the Transmission Provider's resources, as the basis for least-cost redispatch for the next day(s) of operation. The Transmission Provider will implement

least-cost redispatch consistent with its existing contractual obligations and its current practices and procedures for its own resources. The Network Customer shall respond immediately to requests for redispatch from the Transmission Provider

12.1.2 If the Network Customer experiences any changes to its incremental costs, the Network Customer must submit those changes to the Transmission Provider. Any redispatch in accordance with this Agreement shall be based on the last incremental cost data received from the Network Customer prior to redispatch and any redispatch cost shall be based on such incremental cost data.

12.1.3 The Network Customer may audit particular redispatch events, at its own expense, during normal business hours following reasonable notice to the Transmission Provider. Either the Network Customer or the Transmission Provider may request an audit of the other Party's incremental cost data by an independent agent at the requester's cost, provided that such independent agent shall not be a buyer, seller, or broker of wholesale energy or an affiliate of such an entity and that such independent agent shall agree to keep such cost data confidential and to use such data solely for the purpose of the audit.

12.1.4 Once redispatch has been implemented, the Transmission Provider shall track the costs incurred by both the Transmission Provider and the Network Customer based on the submitted incremental costs. The Transmission Provider and the Network Customer will each bear a proportional share of the total redispatch costs based on their then-current Load Ratio Shares. The Transmission Provider will debit or credit the Network Customer's monthly bill as appropriate.

12.2 If a system security issue cannot be resolved by redispatch in accordance with Section 12.1 of this Operating Agreement, the Network Customer shall curtail its schedules as requested by the Transmission Provider. The Transmission Provider shall curtail, on a nondiscriminatory basis, the transaction(s) that effectively relieve the constraint. To the extent practical and consistent with Good Utility Practice, any Curtailment shall be shared by the Transmission Provider and the Network Customer in proportion to their respective Load Ratio Shares.

12.3 The Parties shall implement load shedding programs to maintain the

reliability and integrity of the Transmission Provider's Control Area, as provided in Section 33.6 of the Tariff.

12.3.1 Load shedding shall include any combination of the following: (i) automatic load shedding; (ii) manual load shedding; and (iii) rotating interruption of customer load. The Transmission Provider will order load shedding to maintain the relative sizes of load served within the area requiring load shedding, unless otherwise required by circumstances beyond the control of the Transmission Provider or the Network Customer.

12.3.2 Automatic load shedding devices will operate without notice. When manual load shedding or rotating interruptions are necessary, the Transmission Provider shall notify the Network Customer's dispatchers or schedulers of the required action and the Network Customer shall comply as directed by the Transmission Provider.

12.3.3 The Transmission Provider shall, at its own expense, provide, operate, and maintain in service high-speed, digital under-frequency load shedding equipment on its own Transmission System. To the extent the Network Customer or Eligible Customer receiving service under the Service Agreement(s) has high-speed, digital under-frequency load shedding equipment on its system that is directly interconnected to the Transmission Provider's Transmission System, the Network Customer shall ensure that it and/or the Eligible Customer, as applicable, shall at its own expense provide, operate, and maintain that equipment. The Network Customer's and Eligible Customer's equipment shall be (i) compatible and coordinated with the Transmission Provider's load shedding equipment and (ii) set for the amount of load to be shed with frequency trips and tripping time as determined by the Transmission Provider. In the event the Transmission Provider modifies the load shedding system, the Network Customer shall, at its own expense, make changes to its equipment and setting of such equipment, as required. The Network Customer shall test and inspect the load shedding equipment within ninety days of taking Network Integration Transmission Service under the Tariff and at least once every two years thereafter and promptly provide a written report to the Transmission Provider of the results of such test. The Transmission Provider may request a test of the load shedding equipment with reasonable notice.

12.4 If the Network Customer fails to redispatch or curtail its Network Resources, or the Network Customer or Eligible Customer receiving service under the Service Agreement(s) fails to shed load in accordance with this Section 12, the Network Customer shall pay the Transmission Provider for each kilowatt-hour of generation or load it failed to redispatch, curtail or shed in accordance with Schedule 4 of the Tariff, Energy Imbalance.

13. Network Operating Committee

13.1 If constituted, the Network Operating Committee shall consist of one representative and one alternate from the Network Customer and one representative and one alternate from the Transmission Provider.

13.2 The Network Operating Committee shall coordinate operating criteria for the Parties' respective responsibilities under this Agreement.

13.3 Once constituted, the Network Operating Committee shall meet at least once a year, or at such other time as the Network Operating Committee may agree, to review the Parties' resource plans, to discuss the availability of transmission service for planned Network Resources designated under the Service Agreement(s), and to discuss the need for any additions to or upgrades of interconnection facilities in accordance with Section 8 of this Operating Agreement, as well as any other matters relating to the provision of Network Integration Transmission Service.

13.4 The Network Operating Committee shall not have any authority to (i) modify, amend, terminate, or supersede any provision of this Agreement, the Service Agreement, or the Tariff or (ii) to require any expansion of or addition to the Transmission Provider's Transmission System. The Transmission Provider shall have the authority to adopt rules or procedures for the implementation of this Agreement, the Service Agreement, and the Tariff that are consistent with such agreements, the Tariff, and Transmission Provider's local requirements and business practices.

14. Assignment

This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns, but shall not be assigned by either Party, except to successors to all or substantially all of the electric properties and assets of such Party,

without the written consent of the other.

15. **Dispute Resolution**

Disputes under this Agreement shall be subject to the dispute resolution procedures of Section 12 of the Tariff.

16. **Non-Dedication of Facilities**

An undertaking by either Party to the other Party under this Agreement shall not constitute the dedication of the system, or any portion thereof, of that Party to the public or to the other Party, or affect the status of that Party as an independent system. Any such undertaking shall cease upon the termination of this Agreement.

17. **Municipal Tax Exempt Bonds**.

Notwithstanding any other provision of this Agreement, Transmission Provider shall not be required to provide any service under this Agreement if in Transmission Provider's sole discretion the provision of such service would result in "private business use" as defined in Section 141(b)(6) of the Internal Revenue Code and the Treasury Regulations promulgated thereunder, as such laws and regulations may be amended, updated, modified or replaced.

18. **Waivers**

Any waiver by either Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. No waiver of any provision of this Agreement by Transmission Provider shall be effective unless such waiver is in writing and signed by an authorized representative of the Transmission Provider. Any delay, short of the statutory period of limitation in assessing or enforcing any right, shall not be deemed a waiver of such right.

19. **Relationship of Parties**

The obligations and liabilities of the Parties are several and not joint or collective, and nothing herein contained shall be construed as an association, joint venture, trust, or partnership, or to impose a trust or partnership covenant, obligation, or liability on or with regard to either Party. Each Party shall be individually liable and responsible for its

own covenants, obligations, and liabilities as herein provided. Neither Party shall be under the control of or shall be deemed to control the other Party. Neither Party shall be the agent of or have a right or power to bind the other Party without such other Party's express written consent.

20. **Governing Law and Costs**

This Operating Agreement was made and entered into pursuant to the laws of the State of California and the City of Los Angeles. This Operating Agreement shall be governed by, interpreted and enforced in accordance with the laws of the State of California without regard to conflict of law principles. Both Parties hereto agree that in any action to enforce the terms of this Operating Agreement, each Party shall be responsible for its own attorneys' fees and costs.

21. **Captions and Headings**

All captions and headings appearing in this Operating Agreement are inserted to facilitate reference and shall not govern, except where logically necessary, the interpretations of the provisions hereof.

22. **Notices**

Any notice or request made to or by either Party regarding this Operating Agreement shall be made to the representative of the other Party as indicated in the Service Agreement for Network Integration Transmission Service.

23. **Signature Clause**

The signatories hereto represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for which they sign.

IN WITNESS WHEREOF, the Parties have caused this Operating Agreement to be executed as of the_____ day of _____, _____.

For LADWP	**For [Network Customer]**
DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES BY BOARD OF WATER AND POWER COMMISSIONERS OF THE CITY OF LOS ANGELES	
By:	**By:**
Date:	**Date:**
And:	**And:**

ATTACHMENT H

**Annual Transmission Revenue Requirement
For Network Integration Transmission Service**

1. ~~1~~ The Annual Transmission Revenue Requirement for purposes of the Network Integration Transmission Service shall be $216,854,000.

2. ~~2.~~ The amount in (1) shall be effective until amended by the Transmission Provider.

ATTACHMENT I

Index Of Network Integration Transmission Service Customers

None

ATTACHMENT J

Procedures for Addressing Parallel Flows

In a June 17, 2009 filing, the North American Electric Reliability Corporation's ("NERC"), consistent with Section 215 of the Federal Power Act and as directed by the Commission, requested Commission approval of revision to the Qualified Transfer Path Unscheduled Flow (USF) Relief for the Western Electricity Coordinating Council ("WECC"), Reliability Standard IRO-006-WECC-1 on March 26, 2007, and approved by the Commission on June 8, 2007. The revised Reliability Standard approved by the Commission on March 17, 2011 is intended to mitigate transmission overloads due to unscheduled flow on a transfer path designated by WECC as being qualified for unscheduled flow mitigation, and any subsequent revisions thereto, are hereby incorporated and made part of this Tariff. The current WECC Unscheduled Flow Reduction Procedure can be accessed via the NERC website at:

http://www.nerc.com/files/IRO-006-WECC-1.pdf

|ATTACHMENT K

Transmission Planning Process

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

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Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

I. Overview of the LADWP Transmission Planning Process

The City of Los Angeles (City) is a municipal corporation and charter city organized under the provisions of the California Constitution. The Department of Water and Power (LADWP) is a proprietary department of the City of Los Angeles, pursuant to the Los Angeles City Charter, and a "non-public utility" under Section 201(f) of the Federal Power Act.

LADWP is a vertically integrated utility, owning and operating the majority of its generation, transmission and distribution systems. The LADWP service area encompasses approximately 473 square miles and is populated by approximately 4.0 million residents of the City and Owens Valley, and LADWP serves approximately 1.4 million power customers in the City and 5,000 in the Owens Valley, making LADWP the nation's largest municipal electric utility.

As a non-public utility transmission provider, LADWP voluntarily maintains an Open Access Transmission Tariff (OATT) and Open Access Same-time Information System (OASIS). Pursuant to its membership in WestConnect,[1] LADWP undertakes an annual local transmission planning process and also coordinates its transmission planning process with other transmission providers and stakeholders in the Western Interconnection through subregional, regional and inter-regional processes. LADWP is also a member of the Western Electricity Coordinating Council (WECC) and participates in the WECC transmission planning studies.

This Attachment K describes the local, regional, and interregional transmission planning and cost allocation processes used by LADWP, which are consistent with FERC's standards for reciprocity and comparability expressed by the Federal Energy Regulatory Commission (FERC) in Order Nos. 888, 890, and 1000.

[1] WestConnect was formed under a memorandum of understanding (MOU) voluntarily entered into by transmission providing electric utilities in the Western Interconnection. The purposes of WestConnect are to investigate the feasibility of wholesale market enhancements, work cooperatively with other Western Interconnection organizations and market shareholders and address seams issues in the appropriate forums. WestConnect has initiated an effort to facilitate and coordinate regional transmission planning across the WestConnect footprint as an Order No. 1000 transmission planning region, and to participate in inter-regional transmission planning processes in the Western Interconnection.

II. LADWP Local Transmission Planning

A. Local Planning Process

1. Open Participation

Participation in LADWP's local planning process is open to all interested parties, including but not limited to, all transmission service customers, balancing authority area services customers, interconnecting neighboring transmission providers, state agencies, regulatory agencies, and other stakeholders.

2. Purpose of Planning Studies

LADWP's local transmission planning process is designed to meet the following needs:

a. Provide adequate transmission for resources in order to reliably and economically serve Network Customers' and Native Load Customers' requirements for planned loads and resources, including demand response resources, and transmission service to third parties from its available transfer capability.

b. Support LADWP's transmission and distribution systems.

c. Coordinate new interconnections with other transmission systems.

d. Accommodate requests for long-term transmission access.

3. Types of Local Planning Studies

a. Local Reliability Studies. LADWP will conduct reliability studies to ensure that all NERC, WECC, and local reliability standards are met for each year of the ten-year planning horizon. These reliability studies will be coordinated with the other regional transmission planning organizations through the Southwest Area Transmission (SWAT) group and WECC study efforts.

b. Local Economic Studies. Economic planning studies are performed to identify significant and recurring congestion on the transmission system and/or address the integration of new resources and loads. Such studies may analyze any, or all, of the following: (i) the location and magnitude of the congestion, (ii) possible remedies for the elimination of the congestion, in whole or in part, including transmission solutions, generation solutions and solutions utilizing demand response resources, (iii) the associated costs of congestion, and (iv) the costs associated with relieving congestion through system enhancements (or other means), and, as appropriate, (v) the economic impacts of integrating new resources and loads. As described below in Section 9, LADWP may perform, or cause to be performed, economic planning studies at the request of any transmission customer or

stakeholder, and may utilize the WECC public data bases. Local economic planning studies performed by LADWP or its contractors that are initiated by a stakeholder request will be borne by the requester. The customer shall pay the full estimated cost prior to LADWP beginning the study, and LADWP shall either refund any over-collection or bill any under-collection after completion of the study.

c. Consideration of Public Policy Requirements. For purposes of this Attachment K, "Public Policy Requirements" means those requirements enacted by state or federal laws or regulations, including those enacted by local governmental entities, such as a the LADWP Board of Water and Power Commissioners and/or the City Council. Public Policy Requirements, as applicable, are incorporated into the load forecasts and/or are modeled in the local planning studies. Proposed public policies (*i.e.*, a public policy proposed before a governmental authority but not yet enacted) may be studied if time and resources permit.

4. Local Transmission Planning Cycle

LADWP conducts its local transmission planning on a calendar year cycle for a ten-year planning horizon. LADWP updates its ten-year plan annually. To the extent possible, LADWP coordinates the timing of its local planning study cycle with the WestConnect and WECC study processes.

Stakeholders may participate in identifying local transmission needs by contacting LADWP' Point of Contact described in Section II.A.7.a below. Stakeholders also have the opportunity to offer input or make proposals at LADWP's Q2 Meeting and Q4 Meeting, which are open public planning meetings held pursuant to Section II.B of this Attachment K. Through these two avenues for communication – *i.e.*, email communications with the LADWP Point of Contact and/or participation at the open public planning meeting(s) – stakeholders may participate in the evaluation of solutions to identified local transmission needs that may be selected by LADWP for further evaluation. Stakeholders may provide comments on proposed solutions or may submit other proposed solutions to local transmission needs.

5. Exchange of Data, Confidential Information, and Use of Customer Data

a. LADWP exchanges information on transmission plans and related data on a regular basis in accordance with the schedule for data submittal established by WECC, WestConnect and other transmission planning groups. LADWP obtains data used for its local transmission planning studies from the WECC data bases for reliability studies. Economic studies performed by LADWP for local transmission projects will rely on LADWP studies using security-constrained production cost analysis software (*e.g.*, PROMOD, GridView, Plexos, or equivalent).

b. Confidential, or Proprietary and Critical Energy Infrastructure Information (CEII). LADWP's transmission planning studies include base case data that contain WECC proprietary data, and/or confidential information and/or critical energy infrastructure information (CEII). A stakeholder must hold membership in, or execute a non-disclosure agreement with WECC in order to obtain a base case from WECC. Requests for detailed base case data must be submitted to WECC in accordance with the WECC procedures. Additionally, LADWP makes refinements to the WECC base case that may be LADWP proprietary data, confidential information and/or CEII. For stakeholders that execute the appropriate non-disclosure agreements and clearances consistent with the WECC procedures, LADWP will provide stakeholders the criteria, and assumptions and refinements LADWP makes to the WECC base case, including the models used in its local transmission plan, once the stakeholder executes the appropriate non-disclosure agreements and clearances consistent with the WECC procedures and executes a non-disclosure agreement with LADWP.

c. Restrictions on Access to Information for Competitive Duty Personnel. People involved in marketing functions or other wholesale power sales and marketing activities may be restricted from access to certain local transmission planning data, and/or may be required to execute additional non-disclosure agreements.

d. As a public entity, LADWP is subject to the California Public Records Act, California Government Code §§6250 *through* 6276.4, and the Ralph M. Brown Act, California Government Code 54950 *et sec*.

6. Customer's Responsibility to Provide Data

a Deadline for Submission of Data by Customers. To maximize the effectiveness of the LADWP planning process, each Transmission Customer shall provide LADWP with its ten-year of the data specified in sub-section (b) below along with supporting documentation. This information, including the data set forth in Section 6.b below, must be submitted by February 1 of each year in order to be included in the planning process for the annual local transmission plan.

b. Data to be Submitted. To the maximum extent practical and consistent with protection of proprietary information, data submitted by customers shall include the following information for the ten-year planning horizon:

- Generators – planned additions or upgrades (including status and expected in-service dates), planned retirements and any environmental restrictions.

- Demand response resources – existing and planned demand response resources and their impacts on demand and peak demand.

- Point-to-Point transmission customers – projections of need for service, including transmission capacity, duration of service and points of receipt and delivery.

- Non-Transmission Alternatives (NTAs) - including, but not limited to, technologies that defer or possibly eliminate the need for new and/or upgraded transmission lines. Such alternatives include, but are not limited to: Distributed Generation resources and Demand Side Management (load management), such as Energy Efficiency and Demand Response (*e.g.*, interruptible load) programs, energy storage facilities, and smart grid equipment that can help eliminate (or mitigate) a grid reliability problem, reduce uneconomic grid congestion, and/or help to meet grid needs driven by Public Policy Requirements.

- Balancing Authority Area Services customers - Customers taking service from LADWP under a Balancing Authority Area Services Agreement (BAASA) shall provide information as required by the BAASA.

- Network Customers and Native Load Customers – Each Network Customer and Transmission Provider on behalf of Native Load Customers shall provide an updated ten-year forecast of projected Network Load and Network Resources (including demand response resources) to LADWP on an annual basis. The update shall include the information identified in Section 29.2(ix) of the Tariff.

c. Notification of Material Changes to Customer Data. Each customer is responsible for submitting timely written notice to LADWP of material changes in any of the information previously provided related to the customer's load, resources (including NTAs), or other aspects of its facilities or operations which may, directly or indirectly, affect LADWP's ability to provide service, within 10 business days of such event.

7. Procedures for Requesting a Local Transmission Planning Study.

Any LADWP transmission customer or other interested stakeholder, including those seeking transmission solutions, generation solutions and solutions utilizing NTAs may submit a study request to LADWP, and economic planning study requests shall also be submitted directly to LADWP.

a. LADWP Point of Contact. LADWP shall identify a Point of Contact and email address on its website and/or OASIS to respond to customer/stakeholder questions regarding modeling, criteria, assumptions and data underlying system plans. All requests submitted to LADWP should be electronically forwarded to LADWP by email to the Point of Contact.

b. Deadline for Local Study Requests. To be considered for inclusion in the LADWP local transmission plan, the local study request must be submitted no later than February 1 of the calendar year.

c. Internet Posting of Local Study Requests. Subject to confidentiality requirements, requests for LADWP local planning studies and responses to such requests shall be posted on the LADWP website and/or OASIS.

d. Consideration of Requests. LADWP will review timely submitted local study requests with input from stakeholders in a public transmission meeting. Based in part on the number and type of requests received, LADWP will consider:

i. Whether the study is a local priority request and determine if the study should be performed by LADWP or referred to a more appropriate transmission provider, or

ii. Whether the study request encompasses a region, in which case LADWP will transfer the request to WestConnect for consideration as a regional priority request at WestConnect's stakeholder meeting; or

iii. Whether the study request encompasses the Western Interconnection, in which case LADWP will transfer the request to WECC for consideration in the WECC transmission planning process.

e. Timeline for Performing Local Studies Requested by Stakeholders. After review of requested local studies with stakeholders, LADWP will establish a study plan with timelines for local studies that are performed by LADWP on a case-by-case basis. The study plan for each local study performed by LADWP will be based on LADWP's evaluation of the nature of the study and its complexity. The timelines for completion of such studies may extend beyond the annual study planning cycle.

8. LADWP Process for Evaluating Local Study Requests.

a. LADWP Local Study Criteria and Guidelines. LADWP plans its transmission system in accordance with the NERC and WECC Planning Reliability Standards, along with LADWP's own design, planning and operating criteria which it utilizes for all customers on a comparable and

non-discriminatory basis. The engineering criteria utilized by LADWP are based on the WECC standards; the economic criteria are decided upon for each study by individual participants when determining the value of a suggested project.

b. Basis for Evaluation of LADWP and Stakeholder Alternative Solutions. LADWP's planning process is an objective process that evaluates use of the transmission system on a comparable basis for all customers. All solution alternatives that have been presented on a timely basis, including transmission solutions, generation solutions and solutions utilizing demand response resources, whether presented by LADWP or another Stakeholder, will be evaluated on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of Stakeholder. Alternative solutions will be evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions:

   i. Ability to practically fulfill the identified need;

   ii. Ability to meet applicable reliability criteria or NERC Planning Standards issues;

   iii. Technical, operational and financial feasibility;

   iv. Operational benefits/constraints or issues;

   v. Cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); and

   vi. Where applicable, consistency with state or local integrated resource planning requirements, or regulatory requirements, including cost recovery through rates.

c. After seeking the input of stakeholders, LADWP shall determine in accordance with this Section II of Attachment K whether to select a particular local solution in its local transmission plan. LADWP will post its local transmission plan, which will include any such solutions selected.

d. LADWP is not required to identify any particular set of local transmission needs, but if LADWP chooses not to identify any stakeholder-suggested local transmission need as a transmission need for which solutions will be evaluated in the local transmission planning process, LADWP will post on its website and/or OASIS an explanation of why the suggested transmission need will not be evaluated. Such postings will include both

an explanation of those local transmission needs that have been identified for evaluation for potential solutions in the local transmission planning process, and an explanation why other stakeholder-suggested transmission needs were not identified for further evaluation. After considering the input of stakeholders, LADWP shall determine whether to move forward with the identification of a local solution to a particular local need.

e. Local Transmission Planning Study Request Determined to be a Local Priority Request. If LADWP determines, using input from stakeholders obtained through the LADWP open public transmission meeting, that the local planning study request is a local priority study – *e.g.* the study request does not affect interconnected transmission systems and the remedies are confined to and may be resolved within the local LADWP Balancing Authority Area – then LADWP may conduct the study internally and coordinate assumptions and results with its customers, stakeholders and interconnected neighbors. Criteria used to determine whether a local planning study request is a priority request include the following:

i. What portion of the LADWP transmission system will be under consideration in the study?

ii. Does the request raise fundamental design issues of interest to multiple parties?

iii. Does the request raise public policy issues of national, regional or state interest, *e.g.,* with respect to renewable power, and location of both conventional and renewable resources?

iv. Can the objectives of the study be met by other studies?

v. Will the study provide information of broad value to customers, regulators, transmission providers and other interested stakeholders?

vi. Can similar requests for studies or scenarios be represented generically if the projects are generally electrically equivalent?

vii. Can requests be aggregated into energy or load aggregation zones with generic transmission expansion between?

viii. Does the study request require the use of production cost simulation or can it be better addressed through technical studies, *i.e.*, power flow and stability analysis?

f. Lower Priority Local Study Requests. If LADWP determines, after reviewing through an open stakeholder process, that the request for a local planning study is a lower priority, the requester may request that LADWP assist the requester in having a third party perform the local planning analysis at the requester's expense.

g. Clustering Local Priority Studies. LADWP may determine that any number of requesters' local planning study requests should be studied together or a requester may request that LADWP study its request together with other requests. LADWP will combine such studies as it deems appropriate. If local study requests are combined, the study costs will be shared among the requesters. LADWP will consider the following criteria to determine whether to cluster requested priority local studies, both on its own volition and in response to a Requester's request:

i. LADWP-Proposed Clusters: In the event that LADWP proposes to cluster certain priority local planning studies on any reasonable grounds, including, without limitation, upon its determination that the proposed cluster studies are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied as a group, it shall provide notices to each requester that it proposes to include in the study. Each requester shall be provided the opportunity to opt out of the cluster within ten (10) days of notice from LADWP.

ii. Requester-Proposed Clusters: If a requester wishes to propose a cluster study, prior to submitting a local planning study cluster request to LADWP, the requester must contact all of the other Requesters whose requests it proposes to cluster and obtain their written consent that they are willing to have their request clustered with other identified requests. LADWP will reasonably determine whether the local planning study requests that the requester proposes to cluster and for which the other affected requesters have provided consent, are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied together. LADWP reserves the right to reject a requester-proposed cluster on any reasonable grounds, including, without limitation, upon its determination that the proposed cluster cannot be feasibly studied as a group or that the proposed clustering impairs administration or timely processing of the economic study process. LADWP will make the determination whether to reject a proposed cluster, and provide notice of any decision to reject, within twenty (20) days of receipt of all of the written consents of the requesters that propose to be clustered.

h. Posting of Local Transmission Needs. LADWP will maintain on its website and/or OASIS (i) a list of all local transmission needs identified that are included in the studies for the current local planning cycle; and (ii) an explanation of why other suggested transmission needs will not be evaluated.

i. Communication of LADWP Transmission Study Plans and Local Planning Results. LADWP transmission study plans and planning results will be communicated through presentations at the Q2 Meeting and Q4 Meeting described in Section II.B below and made available upon request.

9. Local Economic Planning Studies.

a. Deadline for Local Economic Planning Study Requests. To be considered for inclusion in the LADWP local transmission plan, the local economic planning study request must be submitted no later than February 1 of the calendar year.

b. For timely submitted economic planning study requests, submitted no later than February 1 and in accordance with this Attachment K, LADWP will review the request with input from stakeholders at the Q2 Meeting, the local public planning meeting described in Section II.B.

c. Based in part on the number and type of requests received, LADWP will consider whether the study is a local priority request and determine if the study should be performed by LADWP or referred to a more appropriate transmission provider, or whether the study request encompasses a sub-region or region, in which case LADWP will transfer the request to WECC.

d The procedures for evaluating local economic planning studies are the same as those procedures used to evaluate any other project proposed in the local planning process, as described in Section 8 above.

e. For lower priority local economic planning studies, LADWP may at its discretion perform the economic planning studies itself, or utilize a third-party to perform the local economic planning study with a security-constrained production cost analysis case (*e.g.*, PROMOD, GridView, Plexos, or equivalent) provided by LADWP. Access to data used in security-constrained production cost analysis may require execution of appropriate non-disclosure agreements (NDA).

10. Local Public Policy Study Requests.

The procedures for evaluating potential solutions to the identified local transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the local planning process, as described in Section 8 above.

a. If a stakeholder identifies a local transmission need driven by a Public Policy Requirement, LADWP will review the identified local transmission need with input from stakeholders in a public transmission meeting. Based in part on the number and type of requests received, LADWP will consider whether:

(i) The suggested transmission need is local and determine if the study should be performed by LADWP, or

(ii) Whether the facilities associated with the identified transmission need are regional, in which case LADWP will transfer the request to WestConnect for consideration at WestConnect's stakeholder meeting or

(iii) Whether the facilities associated with the identified transmission need are West-wide, in which case LADWP will transfer the request to WECC for consideration at WECC stakeholder meeting.

b. No single factor shall necessarily be determinative in selecting among the potential transmission needs driven by Public Policy Requirements. In selecting those local transmission needs driven by Public Policy Requirements that will be evaluated for solutions in the current planning cycle, LADWP will consider, on a non-discriminatory basis, factors, including but not limited to, the following:

(i) Whether the Public Policy Requirement is driving a local transmission need that can be reasonably identified in the current planning cycle;

(ii) The feasibility of addressing the local transmission need driven by the Public Policy Requirement in the current planning cycle;

(iii) The factual basis supporting the local transmission need driven by the Public Policy Requirement; and

(iv) Whether a Public Policy Requirement has been identified for which a local transmission need has not yet materialized, or for which there may exist a local transmission need but the development of a solution to that need is premature.

[*One example is a renewables portfolio increase that is enacted for implementation in a future year, and for which the process by which the renewable resource is to be identified, selected, and sited under the governing state- regulated resource adequacy process*

has not yet begun (making it premature to identify the location and scope of the local transmission need and/or the appropriate solution for the need).]

11. Cost Responsibility for Local Transmission Planning Studies Performed by LADWP

a. Local transmission planning studies performed by LADWP or its contractors that are initiated by LADWP as part of its annual ten-year local transmission study process will be borne by LADWP and recovered in rates.

b. Local transmission planning studies performed by LADWP or its contractors that are initiated by a stakeholder request will be borne by the requester. The customer shall pay the full estimated cost prior to LADWP beginning the study, and LADWP shall either refund any over-collection or bill any under-collection after completion of the study.

B. Annual Local Transmission Planning Open Public Meetings

1. Purpose

Each year LADWP will conduct two local transmission planning open public meetings that will allow stakeholders to participate in LADWP's local transmission planning process. The meetings will be open to all stakeholders and will provide two open, transparent forums that will serve to:

a. Promote discussion of all aspects of the LADWP transmission planning activities, including, but not limited to, methodology, study inputs, study results, and alternative solutions.

b. Provide a forum for LADWP to better understand the specific electric transmission interests of all stakeholders.

c. Provide a meaningful opportunity for stakeholders to engage in planning along with LADWP by creating opportunities for stakeholders to review and comment on the criteria, assumptions, and models used by LADWP in the local transmission planning activities prior to finalization of the LADWP local transmission plan.

2. Public Meeting Process

a. **Q2 Meeting**: In the second calendar quarter of the year, LADWP will host a local transmission planning open public meeting (Q2 Meeting), at which LADWP shall explain and discuss:

- The status of any unresolved issues from the prior local transmission planning process cycle;
- the base cases it intends to use for its local transmission planning study;

- the assumptions it plans to use for the local transmission planning study;
- the study plan (i.e., method for analysis) to guide the local transmission planning study;
- the local needs identified on the system to be considered in the study;
- the alternatives under consideration to be evaluated in the study; and
- the local transmission planning studies that were timely requested by stakeholders in accordance with Section 7.

b. **Q4 Meeting**: In the fourth calendar quarter of the year, LADWP will host a local transmission planning open public meeting (Q4 Meeting), at which LADWP shall:

- provide an overview of the draft local transmission planning study;
- review the assumptions it used for the local transmission planning study;
- review of the study plan (i.e., method for analysis) to guide the local transmission planning study;
- review of local needs identified on the system that were considered in the study;
- review the alternatives considered in the study;
- review of the local transmission planning studies requested by stakeholders; and
- provide updates on its planned local transmission projects and non-transmission alternatives; and
- explain and discuss the preliminary draft local transmission planning study results, including results of studies requested by stakeholders that were performed by LADWP.

3. Stakeholder Comments

Stakeholders can comment and provide input to LADWP during the local transmission planning process.

4. Meeting Notices and Communication

a. Meeting notices, including date, time, place and meeting agenda, will be posted on the LADWP website and/or OASIS. LADWP will establish and post its public planning meetings schedule at least once annually, and at least two weeks prior to meetings.

b. The agenda for each LADWP's public local transmission planning meeting will be sufficiently detailed, posted on the LADWP website and/or OASIS and be circulated to an email distribution list in advance of the meetings in order to allow advance notice to customers and stakeholders.

c. All existing LADWP transmission and other wholesale customers will be included on LADWP's distribution list and actively notified via email of local transmission planning open public meeting(s). Any other stakeholder wanting to be included on LADWP's email distribution list should submit its information to the LADWP Point of Contact identified on the LADWP website and/or OASIS.

d. LADWP will post all meeting-related notes, documents and drafts or final reports on its website and/or OASIS.

e. In order to permit all stakeholders access to the information posted on the website or OASIS listed in Section II, B.3.d, only public information will be shared, and in accordance with state and local laws, only public business shall be conducted in public local transmission planning meeting(s).

5. Unresolved Issues

The status of any stakeholder issues that were not resolved during the local transmission planning process will be addressed by LADWP in the following local transmission planning process cycle (Q2 Meeting).

III. Regional Transmission Planning

This Section of Attachment K to the LADWP OATT implements the requirements for regional planning set forth in Federal Energy Regulatory Commission Order Nos. 890 and 1000. LADWP engages in regional planning and coordination within the WestConnect regional process (Regional Planning Process), which also includes LADWP's participation in interregional planning in the United States portion of the Western Interconnection through its participation in WestConnect.

The purpose of the Regional Planning Process is to produce a regional transmission plan (the Regional Plan) and provide a process for evaluating projects submitted for cost allocation in accordance with the provisions of this Attachment K and those business practices adopted by WestConnect in the WestConnect Regional Planning Process Business Practice Manual, as may be amended from time to time, available on the WestConnect website (Business Practice Manual).

A. Overview

The WestConnect Planning Region is defined by the transmission owner and transmission provider members (referred to generally as Transmission Owners) participating in the Regional Planning Process and for which WestConnect is conducting regional planning. The service areas of the Transmission Owners consist of all or portions of nine states: Arizona, California, Colorado, Nebraska, New Mexico, Nevada, South Dakota, Texas and Wyoming. Non-public utilities such as LADWP are invited to participate in the Regional Planning Process.

Following the effective date of the enrolled Transmission Owners, September 20, 2013 Order No. 1000 compliance filings with the Federal Energy Regulatory Commission ("Effective Date"), the WestConnect Order No. 1000 regional transmission planning management committee (the Planning Management Committee or PMC) is responsible for administering the Regional Planning Process. In order to align its regional process with the western interregional coordination process, WestConnect began its biennial process in 2016. WestConnect conducted an abbreviated planning process in 2015.

In conjunction with creating the new PMC, the WestConnect members, in consultation with interested stakeholders, have established a separate project agreement (the Planning Participation Agreement) to permit interested stakeholders to participate in the Regional Planning Process. Although the Regional Planning Process is open to the public, stakeholders interested in having a voting right in decisions related to the Regional Planning Process are required to execute the Planning Participation Agreement and any necessary confidentiality agreements. The PMC implements the stakeholder-developed Regional Planning Process, which results in a Regional Plan for the ten-year transmission planning horizon.

1. WestConnect Planning Participation Agreement

   Each WestConnect member is a signatory to the Planning Participation Agreement, which formalizes the members' relationships and establishes obligations, including Transmission Owner coordination of regional transmission planning among the WestConnect participants and the local transmission planning processes, and producing a Regional Plan.

2. Members

   WestConnect members can fall into 2 different categories: (i) transmission owners that enroll in the WestConnect Planning Region in order to comply with Order No. 1000 planning and cost allocation requirements, as well as Transmission Owners that elect to participate in the WestConnect Regional Planning Process without enrolling for Order No. 1000 cost allocation purposes, and (ii) stakeholders who wish to have voting input into the methodologies, studies, and decisions made in the execution of those requirements.

a. Joining the WestConnect Planning Region

A transmission owner that wishes to enroll or participate in the WestConnect Planning Region may do so by executing the Planning Participation Agreement and paying its share of costs as provided for in the Planning Participation Agreement.

A stakeholder that wishes to have voting input may join the WestConnect Planning Region by executing the Planning Participation Agreement, paying annual dues, and complying with applicable provisions as outlined in such agreement. For further information regarding membership dues, please see WestConnect's Planning Participation Agreement, located on the WestConnect website at http://www.westconnect.com./planning_agreement.php and on file with FERC.

b. Exiting the WestConnect Planning Region

Should a Transmission Owner member wish to exit the WestConnect Planning Region, it must submit notice in accordance with the Planning Participation Agreement and pay its share of any WestConnect expenditures approved prior to providing its formal notice of withdrawal from the WestConnect Planning Region.

Should a stakeholder wish to exit the WestConnect Planning Region, it may do so by providing notice in accordance with the Planning Participation Agreement. Withdrawing stakeholders will forfeit any monies or dues paid to the PMC and agree to remit to the PMC any outstanding monies owed to WestConnect prior to the effective date of such withdrawal.

c. List of Enrolled Entities

Transmission owners enrolled in the WestConnect Planning Region for purposes of Order No. 1000:

i. Arizona Public Service Company
ii. Black Hills Colorado Electric Utility Company, LP
iii. Black Hills Power, Inc.
iv. Cheyenne Light, Fuel, & Power Company
v. El Paso Electric Company
vi. NV Energy, Inc. Operating Companies
vii. Public Service Company of Colorado
viii. Public Service Company of New Mexico
ix. Tucson Electric Power Company

x. UNS Electric, Inc.

3. WestConnect Objectives and Procedures for Regional Transmission Planning

The Regional Planning Process will produce a Regional Plan that complies with existing Order No. 890 principles and carried forward in Order No. 1000:

a. Coordination

b. Openness

c. Transparency

d. Information exchange

e. Comparability

f. Dispute resolution

g. Regional Coordination

h. Economic Planning Studies

i. Cost Allocation

4. LADWP, along with the other Planning Participation Agreement signatories, shall work through the Regional Planning Process to integrate its transmission plan with the other WestConnect participant transmission plans into a single ten-year Regional Plan for the WestConnect planning region by:

a. Actively coordinating development of the Regional Plan, including incorporating information, as appropriate, from all stakeholders;

b. Coordinating, developing and updating common base cases to be used for all study efforts within the Regional Planning Process and ensuring that each plan adheres to the methodology and format developed for the Regional Plan;

c. Providing funding for the Regional Planning Process and all planning management functions pursuant to the Planning Participation Agreement;

d. Maintaining a regional planning section on the WestConnect website[2] where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted;

e. Posting detailed notices of all regional and local planning meeting agendas on the WestConnect website; and

[2] The WestConnect website is located at http://www.westconnect.com.

f. Establishing a cost allocation process for regional transmission projects selected in the Regional Planning Process for cost allocation.

B. Roles in Regional Planning Process

1. PMC Role

The PMC is responsible for bringing transmission planning information together and sharing updates on active projects. The PMC provides an open forum where any stakeholder interested in the planning of the regional transmission system in the WestConnect footprint can participate and obtain information regarding base cases, plans, and projects and provide input or express its needs as they relate to the transmission system. On a biennial basis and in coordination with its members, Transmission Owners, and other interested stakeholders, the PMC will develop the Regional Plan. The PMC, after considering the data and comments supplied by customers and other stakeholders, develops a regional transmission plan that treats similarly-situated customers (*e.g.*, network, retail network, and native load) comparably in transmission system planning.

The PMC is charged with development and approval of the Regional Plan. The PMC is structured to be comprised of representatives from each stakeholder sector. The PMC is empowered to create and dissolve subcommittees as necessary to facilitate fulfillment of its responsibilities in developing the Regional Plan.

2. Stakeholder Participation and Assistance

Stakeholders may participate in the Regional Planning Process by any one or more of the following ways: (a) joining one of five WestConnect regional transmission planning membership sectors described below; (b) by attending publicly-posted WestConnect regional transmission planning stakeholder meetings; and/or (c) by submitting project proposals for consideration and evaluation in the Regional Planning Process.

Attendance at meetings is open to all interested stakeholders. These meetings will include discussion of models, study criteria and assumptions, and progress updates. Formal participation, including voting as allowed by the process, can be achieved through payment of applicable fees and annual dues as a member of WestConnect in accordance with the Planning Participation Agreement. Transmission Owners with a Load Serving Obligation will not be responsible for annual dues because Transmission Owners with a Load Serving Obligation will be the default source of monies to support WestConnect activities beyond dues paid by other organizations.

WestConnect Planning Region members will assist stakeholders interested in becoming involved in the Regional Planning Process by directing them to appropriate contact persons and websites. All stakeholders are encouraged to bring their plans for future generators, loads or transmission services to the WestConnect planning meetings. Each transmission planning cycle will contain a period during which project ideas are accepted for potential inclusion in that cycle's Regional Plan.

3. Forum for Evaluation

The WestConnect Regional Planning Process provides a forum for transmission project sponsors to introduce their specific projects to interested stakeholders and potential partners and allows for joint study of these projects by interested parties, coordination with other projects, and project participation, including ownership from other interested parties. This may include evaluation of transmission alternatives or non-transmission alternatives in coordination with the Regional Planning Process.

4. Stakeholder Meetings

WestConnect holds open stakeholder meetings on at least a semi-annual basis, or as needed and noticed by the PMC with 30 days' advance notice to update stakeholders about its progress in developing the Regional Plan and to solicit input regarding material matters of process related to the Regional Plan. Notice for such meetings is posted on the WestConnect website and via email to the Regional Planning Process email distribution list.

The meeting agendas for all WestConnect planning meetings are sufficiently detailed, posted on the WestConnect website, and circulated in advance of the meetings in order to allow stakeholders the ability to choose their meeting attendance most efficiently.

5. WestConnect Planning Process Governance

a. Membership Sectors

The Regional Planning Process is governed by the PMC, which is tasked with executing the Regional Planning Process and has authority for approving the Regional Plan. For those entities desiring to be a part of the management of the Regional Planning Process, one of five PMC membership sectors is available:

i. Transmission Owners with Load Serving Obligations
ii. Transmission Customers

iii. Independent Transmission Developers and Owners
iv. State Regulatory Commissions
v. Key Interest Groups

Only transmission owners that have load serving obligations individually or through their members may join the Transmission Owners with Load Serving Obligations membership sector. The Transmission Owners with Load Serving Obligations sector will be comprised of (a) those transmission owners that enroll in the WestConnect Planning Region for purposes of Order No. 1000; and (b) those transmission owners that elect to participate in the WestConnect Regional Planning Process as Coordinating Transmission Owners.

Except for Public Utilities that are required to comply with Order No. 1000, any entity may join any membership sector for which it qualifies, but may only participate in one membership sector at a time. If a non-public utility is qualified to join the Transmission Owners with Load Serving Obligations sector as well as one or more other sectors, and the non-public utility elects to join a sector other than the Transmission Owners with Load Serving Obligations sector, the PMC will not perform the function of regional transmission planning for that entity. Additionally, if a member of the Transmission Owner with Load Serving Obligations sector owns transmission facilities located in another planning region, the PMC will not perform the function of regional planning for such facilities located in another planning region.

b. Planning Management Committee

The PMC is empowered to create and dissolve subcommittees as necessary to ensure timely fulfillment of its responsibilities; to assess fees for membership status on the PMC; and to assess fees for projects submitted for evaluation as part of the Regional Planning Process. The PMC manages the Regional Planning Process, including approval of the Regional Plan that includes application of regional cost allocation methodologies.

The PMC coordinates and have the decision-making authority over whether to accept recommendations from the Planning Subcommittee (PS) and Cost Allocation Subcommittee (CAS). The PMC, among other things, develops and approves the Regional Plan based on recommendations from the PS and CAS; and develops and approves a scope of work, work plan, and periodic reporting for WestConnect planning functions, including holding a minimum of two stakeholder informational meetings per year. The PMC appoints the chair of the PS and CAS. The chair for each subcommittee must be a representative of the Transmission Owners with Load Serving Obligations member sector.

The PS responsibilities include, but are not limited to, reviewing and making recommendations to the PMC for development of study plans, establishing base cases, evaluating potential solutions to regional transmission needs, producing and recommending the Regional Plan for PMC approval, and coordinating with the CAS. The PS provides public notice of committee meetings and provides opportunities for stakeholders to provide comments on the process and proposed plan.

The CAS responsibilities include, but are not limited to, performing and/or overseeing the performance of the cost allocation methodology. The CAS also reviews and makes recommendations to the PMC for modifying definitions of benefits and cost allocation methodology as necessary to meet WestConnect planning principles on identification of beneficiaries and cost allocation. The CAS reviews and recommends projects to the PMC for purposes of cost allocation identified in the Regional Planning Process. The CAS provides public notice of committee meetings and provides opportunities for stakeholders to provide comments on the process and proposed cost allocation.

All actions of the PMC (including approval of the Regional Plan) are made possible by satisfying either of the following requirements:

i. 75% of the members voting of at least three (3) sectors approving a motion, where one of the three sectors approving is the Transmission Owners with Load Serving Obligation sector; or

ii. 75% of the members voting of the four member sectors other than the Transmission Owners with Load Serving Obligation sector approving a motion and two-thirds (2/3) of the members voting of the Transmission Owners with Load Serving Obligation sector approving a motion.

Each entity within a membership sector is entitled to one vote on items presented for decision.

Any closed executive sessions of the PMC will address matters outside of the development of the Regional Planning Process, including matters involving contracts, personnel, financial matters, or legal matters such as, but not limited to, litigation (whether active or threatened).

C Submission of Data by Customers, Transmission Developers and Transmission Owners

When stakeholder feedback on modeling assumptions is requested, the data submittal period for such feedback is established by the PMC. In all cases, requests for submittal of data from WestConnect members and stakeholders is followed by a data submittal window lasting no less than thirty (30) days from the date of such requests. In addition, consistent with the Regional Planning Process, any interested stakeholder may submit project ideas for consideration in the Regional Plan without a need for that stakeholder to qualify for a project submittal for purposes of cost allocation. Specific project submittals are treated differently than generalized project ideas. For any project submittal seeking study by the PMC in the Regional Planning Process to address a regional need identified by the PMC (without regard to whether the project seeks cost allocation), a project submittal deposit will be collected and made subject to later true-up based upon the actual cost of the study(ies) performed. Project submittals are accepted through the fifth (5th) quarter of the planning cycle (or first (1st) quarter of the second (2nd) year). A timeline detailing the timing and notice for submission of information and input can be found in Exhibit 1 of this Attachment K.

1. Transmission Customers

   Transmission customers shall generally submit their load forecast and other relevant data through the WestConnect member's (*e.g.*, LADWP's) local transmission planning process. However, from time to time, there may be a need for transmission customers participating in the Regional Planning Process to submit data directly to WestConnect. This data may include, but is not limited to load forecasts, generation resource plans, demand side management resources, proposed transmission upgrade recommendations, and feedback regarding certain assumptions in the planning process.

   No less than thirty (30) days' notice will be given for customers to submit any required data and data submissions will generally be able to be made via email or by posting information to a designated website.

2. Independent Transmission Developers and Owners

   Transmission Developers are entities with project ideas they wish to submit into the Regional Planning Process. These may include project submittals that the developer wishes to be considered to address an identified regional need (whether or not the project is eligible for regional cost allocation).

   Each regional transmission planning cycle will include a submission period for project ideas as described in Section III.C.5 below. Notice of the submission period

is posted on the WestConnect website and is made via email to WestConnect stakeholders. The submission period lasts for no less than thirty (30) days and during this time, any entity that wishes to submit a transmission project for consideration in the Regional Planning Process to address an identified regional need may do so.

Projects proposed by Independent Transmission Developers and Owners are subject to the same Reliability Standards as projects submitted by Transmission Owners with Load Serving Obligations. The project developer shall register with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organizations, and all local, state, regional, and federal requirements.

3. Merchant Transmission Developers

Merchant Transmission Developers are entities pursuing completion of projects that do not wish to have their projects considered for regional cost allocation. Nonetheless, coordination between merchant projects and the Regional Planning Process is necessary to affect a coordinated Regional Plan that considers all system needs.

Each regional transmission planning cycle includes a submission period for project submittals to address an identified regional need, as described in Section III.C.5 below. Notice of the submission period is posted on the WestConnect website and is made via email to WestConnect stakeholders. In addition, it is necessary for merchant transmission developers to provide adequate information and data to allow the PMC to assess the potential reliability and operational impacts of the merchant transmission developer's proposed transmission facilities on other systems in the region. The submission period lasts for no less than thirty (30) days and during this time sponsors of merchant transmission projects that are believed to impact the WestConnect transmission system are asked to provide certain project information.

Projects proposed by Merchant Transmission Developers are subject to the same Reliability Standards as projects submitted by Transmission Owners with Load Serving Obligations. The project developer is responsible for properly registering with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organization and all local, state, regional, and federal requirements.

4. Transmission Owners with Load Serving Obligations

   Transmission Owners that are members of the WestConnect Planning Region are responsible for providing all necessary system information to the Regional Planning Process.

   At the beginning of each regional transmission planning cycle, Transmission Owners that are participating in the Regional Planning Process shall be responsible for verifying the accuracy of any data (including, but not limited to system topology and project proposal information) they have previously submitted. Transmission Owners shall also be required to submit all relevant data for any new projects being proposed for inclusion in the Regional Plan to address an identified regional need in accordance with Section III.C.5 below. Transmission Owners shall also be responsible for submitting any project plans developed through their local transmission planning processes for inclusion in the Regional Plan models.

5. Transmission Project Submittals

   All submittals of transmission projects to address an identified regional need, without regard to whether or not the project seeks regional cost allocation, are to contain the information set forth below, together with the identified deposit for study costs, and be submitted timely within the posted submittal period in order for the project submittal to be eligible for evaluation in the Regional Planning Process. A single project submittal may not seek multiple study requests. To the extent a project proponent seeks to have its project studied under a variety of alternative project assumptions, the individual alternatives must be submitted as individual project submittals. To be eligible to propose a project for selection in the Regional Plan, a project proponent must also be an active member in good standing within one of the five PMC membership sectors:

   - Submitting entity contact information
   - Explanation of how the project is a more efficient or cost-effective solution to regional transmission needs*
   - A detailed project description including, but not limited to, the following:
     - Scope
     - Points of interconnection to existing (or planned) system
     - Operating Voltage and Alternating Current or Direct Current status
     - Circuit configuration (Single, Double, Double-Circuit capable, etc.)
     - Impedance information
     - Approximate circuit mileage

- Description of any special facilities (series capacitors, phase shifting transformers, etc.) required for the project
- Diagram showing geographical location and preferred route; general description of permitting challenges
- Estimated Project Cost and description of basis for that cost*
- Any independent study work of or relevant to the project
- Any WECC study work of or relevant to the project
- Status within the WECC path rating process
- The project in-service date
- Change files to add the project to a standard system power flow model
- Description of plan for post-construction maintenance and operation of the proposed line
- A $25,000 deposit to support the cost of relevant study work, subject to true-up (up or down) based upon the actual cost of the study(ies)*. The true-up will include interest on the difference between the deposit and the actual cost, with such interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations. A description of the costs to which the deposit was applied, how the costs were calculated, and an accounting of the costs will be provided to each project sponsor within 30 calendar days of the completion of the study. Dispute resolution is addressed pursuant to Section VI.
- Comparison Risk Score from WECC Environmental Data Task Force, if available.
- Impacts to other regions. The applicant must provide transmission system impacts studies showing system reliability impacts to neighboring transmission systems or another transmission planning region. The information should identify all costs associated with any required upgrades to mitigate adverse impacts on other transmission systems.

* Merchant transmission developers are exempt from these requirements.

If impact studies and costs are not available at the time of submittal, the project proponent may request that impact studies be performed, at the project proponent's expense, as part of the analysis to determine whether the project is the more efficient or cost-effective solution. Requests for transmission system impact studies are approved through the PMC depending on whether the project proponent provides funding for the analysis. The PMC will provide, subject to appropriate confidentiality and CEII restrictions, the information in the possession of the PMC that an applicant needs to perform

the transmission system impact study and to identify the costs associated with any upgrades required to mitigate adverse impacts.

There is an open submission period for project proposals to address identified regional needs. Notice of the submission period is posted on the WestConnect website and will also be made via email to WestConnect stakeholders. The submission period lasts for no less than thirty (30) days and ends by the fifth (5th) quarter of the WestConnect planning cycle (or first (1st) quarter of the second (2nd) year of the planning cycle). Proposals submitted outside that window will not be considered. The PMC has the authority to determine the completeness of a project submittal. Project submittals deemed incomplete are granted a reasonable opportunity to cure any deficiencies identified in writing by the PMC.

Any stakeholder wishing to present a project submittal to address an identified regional need shall be required to submit the data listed above for the project to be considered in the Regional Planning Process. Should the submitting stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. The PMC retains the sole authority for determining completeness of the information submittal. After the completion of the project submittal period, the PMC posts a document on the WestConnect website detailing why any projects were rejected as incomplete. Upon posting of the document, any project submittal rejected as incomplete is given a reasonable opportunity to cure the reason(s) it was rejected to the satisfaction of the PMC in its sole discretion.

6. Submission of Non-Transmission Alternative Projects

Any stakeholder may submit projects proposing non-transmission alternatives to address an identified regional need for evaluation under the Regional Planning Process. The submission period will last for no less than thirty (30) days. The submission window will end by the fifth (5th) quarter of the WestConnect planning cycle (or first (1st) quarter of the second (2nd) year of the planning cycle). The following criteria must be satisfied in order for a non-trans mission alternative project submittal to be evaluated under the Regional Planning Process:

- Basic description of the project (fuel, size, location, point of contact)
- Operational benefits
- Load offset, if applicable
    - Description of the issue sought to be resolved by the generating facility or non-transmission alternative, including reference to any results of prior technical studies
    - Network model of the project flow study

- Short-circuit data
- Protection data
- Other technical data that might be needed for resources
- Project construction and operating costs
- Additional miscellaneous data (e.g., change files if available)

As with entities submitting a transmission project under Section III.C.5, those who submit under Section III.C.6 a non-transmission alternative under the Regional Planning Process must adhere to and provide the same or equivalent information (and deposit for study costs) as transmission alternatives. Should the submitting stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. Although non-transmission alternative projects will be considered in the Regional Planning Process, they are not eligible for regional cost allocation.

7. The WestConnect Regional Planning Cycle

The WestConnect regional transmission planning cycle is biennial. The WestConnect PMC will develop and publish a Regional Plan every other year.

D Transmission Developer Qualification Criteria

1. In General

A transmission developer that seeks to be eligible to use the regional cost allocation methodology for a transmission project selected in the Regional Plan for purposes of cost allocation must identify its technical and financial capabilities to develop, construct, own, and operate a proposed transmission project. To be clear, satisfaction of the criteria set forth below does not confer upon the transmission developer any right to:

(i) construct, own, and/or operate a transmission project,
(ii) collect the costs associated with the construction, ownership and/or operation of a transmission project,
(iii) provide transmission services on the transmission facilities constructed, owned and/or operated.

The applicable governing governmental authorities are the only entities empowered to confer any such rights to a transmission developer. The PMC is not a governmental authority.

2. Information Submittal

A transmission developer seeking eligibility for potential designation as the entity eligible to use the regional cost allocation for a transmission project selected in the Regional Plan for purposes of cost allocation must submit to the PMC the following information during the first quarter of the WestConnect planning cycle, except that during the first WestConnect planning cycle the PMC shall have the discretion to extend the period for the submission of this information:

a. Overview

A brief history and overview of the applicant demonstrating that the applicant has the capabilities to finance, own, construct, operate and maintain a regional transmission project consistent with Good Utility Practice within the state(s) within the WestConnect Planning Region. The applicant should identify all transmission projects it has constructed, owned, operated and/or maintained, and the states in which such projects are located.

b. Business Practices

A description of the applicant's experience in processes, procedures, and any historical performance related to engineering, constructing, operating and maintaining electric transmission facilities, and managing teams performing such activities. A discussion of the types of resources, including relevant capability and experience (in-house labor, contractors, other transmission providers, etc.) contemplated for the licensing, design, engineering, material and equipment procurement, siting and routing, Right-of-Way (ROW) and land acquisition, construction and project management related to the construction of transmission projects. The applicant should provide information related to any current or previous experience financing, owning, constructing, operating and maintaining and scheduling access to regional transmission facilities.

c. Compliance History

The applicant should provide an explanation of any violation(s) of NERC and/or Regional Entity Reliability Standards and/or other regulatory requirements pertaining to the development, construction, ownership, operation, and/or maintenance of electric transmission facilities by the applicant or any parent, owner, affiliate, or member of the applicant that is an Alternate Qualifying Entity under Section III.A.2.l. Notwithstanding the foregoing, if at the time the applicant submits the information required by this Section III.D.2, the applicant has not developed, constructed, owned, operated or maintained electric transmission facilities, the applicant shall instead submit such information for any electric

distribution or generating facilities it develops, constructs owns, operates and/or maintains, as applicable, to demonstrate its compliance history.

d. Participation in the Regional Planning Process

A discussion of the applicant's participation within the Regional Planning Process or any other planning forums for the identification, analysis, and communication of transmission projects.

e. Project Execution

A discussion of the capability and experience that would enable the applicant to comply with all on-going scheduling, operating, and maintenance activities associated with project development and execution.

f. Right-of-Way Acquisition Ability

The applicant's preexisting procedures and historical practices for siting, permitting, landowner relations, and routing transmission projects including, acquiring ROW and land, and managing ROW and land acquisition for transmission facilities. Any process or procedures that address siting or routing transmission facilities through environmentally sensitive areas and mitigation thereof. If the entity does not have such preexisting procedures, it shall provide a detailed description of its plan for acquiring ROW and land and managing ROW and land acquisition.

g. Financial Health

The applicant must demonstrate creditworthiness and adequate capital resources to finance transmission projects. The applicant shall either have an investment grade credit rating from both S&P and Moody's or provide corporate financial statements for the most recent five years for which they are available. Entities that do not have a credit rating, or entities less than five years old, shall provide corporate financial statements for each year that is available. Alternatively, the applicant may provide a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the PMC.

The following ratios must be provided with any explanations regarding the ratios:

- Funds from operations-to-interest coverage.
- Funds from operation-to-total debt.
- Total debt-to-total capital.

The applicant must indicate the levels of the above ratios the company will maintain during and following construction of the transmission element.
The PMC may request additional information or clarification as necessary.

h. Safety Program

The applicant must demonstrate that it has an adequate internal safety program, contractor safety program, safety performance record and program execution.

i. Transmission Operations

The applicant must: demonstrate that it has the ability to undertake control center operations capabilities, including reservations, scheduling, and outage coordination; demonstrate that it has the ability to obtain required path ratings; provide evidence of its NERC compliance process and compliance history, as applicable; demonstrate any existing required NERC certifications or the ability to obtain any applicable NERC certifications; establish required Total Transfer Capability; provide evidence of storm/outage response and restoration plans;
provide evidence of its record of past reliability performance, as applicable; and provide a statement of which entity will be operating completed transmission facilities and will be responsible for staffing, equipment, and crew training. A potential transmission developer will not be required to have an operations entity under contract at the time it seeks to be eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

j. Transmission Maintenance

The applicant must demonstrate that it has, or has plans to develop, an adequate transmission maintenance program, including staffing and crew training, transmission facility and equipment maintenance, record of past maintenance performance, NERC compliance process and any past history of NERC compliance or plans to develop a NERC compliance program, and provide a statement of which entity will be performing maintenance on completed transmission facilities. A potential transmission developer will not be required to have a maintenance entity under contract at the time it seeks to be eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

k. Regulatory Compliance

The applicant must demonstrate the ability, or plans to develop the ability, to comply with Good Utility Practice, WECC criteria and regional Reliability

Standards, NERC Reliability Standards, construction standards, industry standards, and environmental standards.

l. Affiliation Agreements

A transmission developer can demonstrate that it meets these criteria either on its own or by relying on an entity or entities with whom it has a corporate affiliation or other third parties with relevant experience (Alternate Qualifying Entity(ies)). In lieu of a contractual or affiliate relationship with one or more Alternate Qualifying Entity(ies) and to the extent a transmission developer intends to rely upon third parties for meeting those criteria, the transmission developer must provide in attestation form, an identification of its preferred third-party contractor(s) and indicate when it plans to enter into a definitive agreement with its third-party contractor(s). If the transmission developer seeks to satisfy the criteria in whole or in part by relying on one or more Alternate Qualifying Entity(ies), the transmission developer must submit: (1) materials demonstrating to the PMC's satisfaction that the Alternate Qualifying Entity(ies) meet(s) the criteria for which the transmission developer is relying upon the alternate qualifying entity(ies) to satisfy; and (2) a commitment to provide in any project cost allocation application an executed agreement that contractually obligates the Alternate Qualifying Entity(ies) to perform the function(s) for which the transmission developer is relying upon the Alternate Qualifying Entity(ies) to satisfy.

m. WestConnect Membership

A transmission developer must be a member of either the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector, or must agree to join the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector and agreed to sign the Planning Participation Agreement if the transmission developer seeks to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

n. Other

Any other relevant project development experience that the transmission developer believes may demonstrate its expertise in the above areas.

3. Identification of Transmission Developers Satisfying the Criteria

a. Notification to Transmission Developer

No later than September 30 each year, the PMC notifies each transmission developer whether it has satisfied the stated criteria. A transmission developer failing to satisfy one or more of the qualification criteria is informed of the failure(s) and accorded an additional opportunity to cure any deficiency(ies) within thirty (30) calendar days of notice from the PMC by providing any additional information.

The PMC informs the transmission developer whether the additional information satisfies the qualification criteria within forty-five (45) calendar days of receipt of the additional information.

The PMC identifies the transmission developers that have satisfied the qualification criteria (the "Eligible Transmission Developers") by posting on the WestConnect website, on or before December 31 of each year.

b. Annual Recertification Process and Reporting Requirements

By June 30 of each year, each Eligible Transmission Developer must submit to WestConnect a notarized letter signed by an authorized officer of the Eligible Transmission Developer certifying that the Eligible Transmission Developer continues to meet the current qualification criteria.

The Eligible Transmission Developer shall submit to the PMC an annual certification fee equal to the amount of the WestConnect annual membership fee. If the Eligible Transmission Developer is a member of WestConnect and is current in payment of its annual membership fee, then no certification fee is required.

If at any time there is a change to the information provided in its application, an Eligible Transmission Developer shall be required to inform the PMC chair within thirty (30) calendar days of such change so that the PMC may determine whether the Eligible Transmission Developer continues to satisfy the qualification criteria. Upon notification of any such change, the PMC shall have the option to: (1) determine that the change does not affect the status of the transmission developer as an Eligible Transmission Developer; (2) suspend the transmission developer's eligibility status until any deficiency in the transmission developer's qualifications is cured; (3) allow the transmission developer to maintain its eligibility status for a limited time period, as specified by the PMC, while the transmission developer cures the deficiency; or (4) terminate the transmission developer's eligibility status.

c. Termination of Eligibility Status

The PMC may terminate an Eligible Transmission Developer's status if the Eligible Transmission Developer: (1) fails to submit its annual certification letter; (2) fails to pay the applicable WestConnect membership fees; (3) experiences a change in its qualifications and the PMC determines that it may no longer qualify as an Eligible Transmission Developer; (4) informs the PMC that it no longer desires to be an Eligible Transmission Developer; (5) fails to notify the PMC of a change to the information provided in its application within thirty (30) days of such change; or (6) fails to execute the Planning Participation Agreement as agreed to in the qualification criteria within a reasonable time defined by the PMC, after seeking to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

E. Overview of Regional Planning Methodology and Evaluation Process

The Regional Planning Process is intended to identify regional needs and more efficient or cost-effective solutions to satisfy those needs. Consistent with Order No. 890, qualified projects timely submitted through the Regional Planning Process are evaluated and selected from competing solutions and resources such that all types of resources, as described below, are considered on a comparable basis. The same criteria and evaluation process are applied to competing solutions and/or projects, regardless of type or class of stakeholder proposing them. Where a regional transmission need is identified, the PMC performs studies that seek to meet that need through regional projects, even in the absence of project proposals advanced by stakeholders or projects identified through the WECC process. When the PMC performs a study to meet an identified regional need in circumstances where no stakeholder has submitted a project proposal to meet that regional need, the PMC pursues such studies in a not unduly discriminatory fashion. The study methods employed for PMC-initiated studies are the same types of study methods employed for stakeholder-initiated studies (*see, e.g.*, Section III.F addressing the use of NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects, Section III.G addressing the use of production cost modeling for regional economic projects, and Section III.H addressing the identification of Public Policy Requirements for regional public policy-driven projects).

Solution alternatives are evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to fulfill the identified need practically; (2) ability to meet applicable reliability criteria or NERC Transmission Planning Standards issues; (3) technical, operational and financial feasibility; (4) operational benefits/constraints or issues; (5) cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); (6) where applicable, consistency with Public Policy Requirements or regulatory requirements, including cost recovery through regulated rates; and (7) a project must be determined by the PMC to be a more efficient or cost-effective solution to one or more

regional transmission needs to be eligible for regional cost allocation, as more particularly described below.

The Regional Planning Process provides for an assessment of regional solutions falling in one or more of the following categories:

- Regional reliability solutions
- Regional economic solutions
- Regional transmission needs driven by Public Policy Requirements
- Non-transmission alternatives

LADWP encourages all interested stakeholders to consult the Business Practice Manual for additional details regarding the planning process, timing, and implementation mechanics. A flow chart depicting the Regional Planning Process is attached hereto as Exhibit 1.

All WestConnect Transmission Owners with Load Serving Obligation shall be responsible for submitting their local transmission plans for inclusion in the Regional Plan in accordance with the timeline stated in the Business Practice Manual. Those individual plans are included in the Regional Plan base case system models.

F. WestConnect Reliability Planning Process

Once the base case is established and verified, the PMC performs a regional reliability assessment in which the base case system models are checked for adherence to the relevant NERC or WECC Transmission Planning Reliability Standards, through appropriate studies, including, but not limited to, steady-state power flow, voltage, stability, short circuit, and transient studies as outlined in the Business Practice Manual. If a reliability violation is identified in this power flow process, the violation is referred back to the appropriate Transmission Owner.

The PMC identifies projects to resolve any regional violations that impact more than one Transmission Owner of relevant NERC or WECC Transmission Planning Reliability Standards or WECC criteria. In addition, an opportunity will be afforded to any interested party to propose regional reliability projects that are more efficient or cost-effective than other proposed solutions. The PMC then identifies the more efficient or cost-effective regional transmission project that meets the identified regional transmission need, taking into account factors such as how long the project would take to complete and the timing of the need. Because local Transmission Owners are ultimately responsible for compliance with NERC Reliability Standards and for meeting local needs the local transmission plans will not be modified, however, the PMC may identify more efficient or cost-effective regional transmission projects. The PMC performs the regional reliability assessment and, if necessary, identify a regional need

for transmission projects to resolve any violations that impact more than one Transmission Owner in the fourth quarter of the planning cycle.

G. WestConnect Economic Planning Process

As part of the Regional Planning Process, the PMC analyzes whether there are projects that have the potential to reduce the total delivered cost of energy by alleviating congestion or providing other economic benefits to the WestConnect Planning Region through production cost modeling. This analysis also utilizes WECC Board-approved recommendations to further investigate congestion within the WestConnect Planning Region for congestion relief or economic benefits that has subsequently been validated by WestConnect. Additional projects may also be proposed by WestConnect stakeholders or developed through the stakeholder process for evaluation of economic benefits. Under the Regional Planning Process, the PMC identifies more efficient or cost-effective regional transmission projects, but will not modify local transmission plans.

The WestConnect economic planning process analyzes benefits via detailed production cost simulations. The models employed in the production cost simulations appropriately consider the impact of transmission projects on production cost and system congestion. The WestConnect economic planning process also considers the value of decreased reserve sharing requirements in its development of a plan that is more efficient or cost-effective. As seen in Exhibit 1 of this Attachment K, the PMC develops the production cost modeling analysis in the second (2nd) and third (3rd) quarters of the planning cycle and identify economic transmission projects in the sixth (6th) quarter and parts of the fifth (5th) and seventh (7th) quarters of the planning cycle.

H. WestConnect Public Policy Planning Process

a. Procedures for Identifying Transmission Needs Driven by Public Policy Requirements

It is anticipated that any regional transmission need that is driven by Public Policy Requirements will be addressed initially within the local planning cycles of the individual Transmission Owners in the WestConnect Planning Region through the consideration of local transmission needs driven by a Public Policy Requirement, since a Public Policy Requirement is a requirement that is imposed upon individual Transmission Owners (as opposed to a requirement that is imposed on a geographic region). For those Public Policy Requirements that affect more than one Transmission Owner in the WestConnect Planning Region, a solution identified at the local level to satisfy the local needs of the affected Transmission Owner(s), may also satisfy a regional transmission need identified by the PMC for the WestConnect Planning Region.

WestConnect Transmission Owner members that are planning consistent with Order No. 890 will continue to conduct local transmission planning processes (Section II of this Attachment K), which provide a forum for discussions on local transmission needs driven by Public Policy Requirements. These local processes provide the basis for the individual Transmission Owners' local transmission plans, which are then incorporated into the regional base case at the start of the Regional Planning Process under Order No. 1000.

The PMC provides notice on the WestConnect website of both regional transmission planning meetings convened by the PMC for the WestConnect region, and local transmission planning meetings of the individual Transmission Owners in the WestConnect region.

The PMC begins the evaluation of regional transmission needs driven by Public Policy Requirements by identifying any Public Policy Requirements that are driving local transmission needs of the Transmission Owners in the WestConnect Planning Region, and including them in the transmission system models (the regional base case) underlying the development of the Regional Plan. Then, the PMC seeks the input of stakeholders in the WestConnect region on those Public Policy Requirements in an effort to engage stakeholders in the process of identifying regional transmission needs driven by Public Policy Requirements. The PMC communicates with stakeholders through public postings on the WestConnect website of meeting announcements and discussion forums. In addition, the PMC maintains an email distribution list for those stakeholders who indicate a desire to receive information via electronic list serves.

After allowing for stakeholder input on regional transmission needs driven by Public Policy Requirements and regional solutions to those needs, as part of the Regional Planning Process, the PMC identifies in the Regional Plan those regional transmission needs driven by Public Policy Requirements that were selected by the PMC for evaluation of regional solutions.

In selecting those regional transmission needs driven by Public Policy Requirements that will be evaluated for regional solutions in the current planning cycle, the PMC considers, on a non-discriminatory basis, factors, including but not limited to, the following:

(i) whether the Public Policy Requirement is driving a regional transmission need that can be reasonably identified in the current planning cycle;
(ii) the feasibility of addressing the regional transmission need driven by the Public Policy Requirement in the current planning cycle;
(iii) the factual basis supporting the regional transmission need driven by the Public Policy Requirement; and
(iv) whether a Public Policy Requirement has been identified for which a regional transmission need has not yet materialized, or for which there may exist a regional transmission need but the development of a solution to that need is premature.

No single factor shall necessarily be determinative in selecting among the potential regional transmission needs driven by Public Policy Requirements. The process by which the PMC identifies those regional transmission needs for which a regional transmission solution(s) will be evaluated, out of what may be a larger set of regional transmission needs, utilizes the communication channels it has in place with stakeholders, identified above (open meetings and discussion forums convened by the PMC), through which regional transmission needs driven by Public Policy Requirements may be part of the open dialogue.

b. Procedures for Identifying Solutions to Regional Transmission Needs Driven by Public Policy Requirements

Stakeholders have opportunities to participate in discussions during the Regional Planning Process with respect to the development of solutions to regional transmission needs driven by Public Policy Requirements. Such participation may take the form of attending planning meetings, offering comments for consideration by the PMC on solutions to regional needs driven by Public Policy Requirements, and offering comments on proposals made by other stakeholders or by the PMC. Stakeholders that are members of the WestConnect PMC are performing the function of regional transmission planning and developing regional solutions to identified

regional transmission needs driven by Public Policy Requirements through membership on subcommittees of the PMC.

After allowing for stakeholder input on solutions to regional transmission needs driven by Public Policy Requirements, as part of the Regional Planning Process, the PMC identifies in the Regional Plan those regional transmission solutions driven by Public Policy Requirements that were selected by the PMC and any regional transmission project(s) that more efficiently or cost-effectively meet those needs.

The procedures for identifying and evaluating potential solutions to the identified transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the Regional Planning Process, whether or not submitted for purposes of cost allocation.

The PMC performs a Public Policy Requirements analysis to help identify if a transmission solution is necessary to meet an enacted public policy. For a transmission need driven by Public Policy Requirements, the PMC identifies whether a more efficient or cost-effective regional transmission solution exists based upon several different considerations, including consideration of whether the project is necessary and capable of meeting transmission needs driven by Public Policy Requirements, while also:

(i) Efficiently resolving any criteria violations identified by studies pursuant to any relevant NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects or WECC Transmission Planning Reliability Standards or WECC criteria, as applicable, that could impact more than one Transmission Owner as a result of a Public Policy Requirement or,

(ii) Producing economic benefits shown through detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost, system congestion and the value of decreased reserve sharing requirements.

The PMC develops the public policy analysis in the sixth (6th) quarter and parts of the fifth (5th) and seventh (7th) quarters of the planning cycle.

c. Proposed Public Policy

A public policy that is proposed, but not required (because it is not yet enacted or promulgated by the applicable governmental authority) may be considered through

Section III.G (WestConnect Economic Planning Process) of this Attachment K, if time and resources permit.

d. Posting of Public Policy Needs

WestConnect maintains on its website (i) a list of all transmission needs identified that are driven by Public Policy Requirements and that are included in the studies for the current regional transmission planning cycle; and (ii) an explanation of why other suggested transmission needs driven by Public Policy Requirements will not be evaluated.

I. Consideration of Non-Transmission Alternatives

Non-transmission alternatives submitted in accordance with Section III.C above are evaluated to determine if they will provide a more efficient or cost-effective solution to an identified regional transmission need. Non-transmission alternatives include, without limitation, technologies that defer or possibly eliminate the need for new and/or upgraded transmission lines, such as distributed generation resources, demand-side management (load management, such as energy efficiency and demand response programs), energy storage facilities and smart grid equipment that can help eliminate or mitigate a grid reliability problem, reduce uneconomic grid congestion, and/or help to meet grid needs driven by Public Policy Requirements. Non-transmission alternatives are not eligible for regional cost allocation.

J. Approval of the WestConnect Regional Plan

The Cost Allocation Subcommittee submits, for review and comment, the results of its project benefit/cost analysis and beneficiary determination to the PMC Chair and to the identified beneficiaries of the transmission projects proposed for cost allocation. The PMC shall make available to its Members sufficient information to allow for a reasonable opportunity to comment on the proposed selection. The PMC shall not make a determination on the project benefit/cost analysis and beneficiary determination until it has reviewed all comments. Upon approval of the PMC, the project benefit/cost analysis and beneficiary identifications shall be posted by the PMC on the WestConnect website.

1. CTO Acceptance of Cost Allocation

Each Coordinating Transmission Owner (CTO) beneficiary will indicate whether it accepts the cost allocation for the project, as follows:

a. A CTO Member, in its sole discretion, may elect to accept a cost allocation for each separate transmission facility for which it is identified as a beneficiary, but

only if it notifies the Chair of the PMC in writing of its decision to accept any such cost allocation within sixty (60) calendar days after the benefit/cost analysis is posted by the PMC under this Section III.J; provided, however, that the PMC has the discretion to extend the 60-day period when additional time is necessary for an identified beneficiary to complete its internal review and deliberation process before deciding to accept the cost allocation.

b. A CTO Member giving notice that it elects to accept a cost allocation for a transmission facility may rescind that notice at any time prior to the end of the sixty (60) day period, or such extended period established in this Section III.J.1.

c. A CTO Member that does not accept a cost allocation for a transmission facility will not be subject to cost allocation for that transmission facility.

The information made available under this Section III.J will be electronically masked and made available pursuant to a process that the PMC reasonably determines is necessary to prevent the disclosure of confidential information or CEII contained in the information.

2. Recalculation of Benefits and Costs for Reliability Projects

The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission need(s) which was included within the identification of the region's transmission needs under Sections IV.F through IV.H (for which the regional project would have avoided an alternative reliability project in such CTO's local transmission plan) will be removed as a regional transmission need for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan for purposes of cost allocation.

3. Recalculation of Benefits and Costs for Public Policy Requirements Projects

The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission need(s) which was included within the identification of the region's transmission needs under Sections III.F through III.H (for which the regional project would have avoided an alternative Public Policy Requirements project in such CTO's local transmission plan) will be removed as a regional transmission need for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan

for purposes of cost allocation. This shall include any such CTO's resource needs necessary to comply with Public Policy Requirements.

4. Recalculation of Benefits and Costs for Economic Projects

   The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission benefits which were included within the identification of the regional project's economic benefits under Sections III.F through III.H will be removed as a regional transmission benefit for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan for purposes of cost allocation. This shall include the value of any economic benefits determined through the regional transmission plan to accrue to such CTO.

5. Resultant Increase in Beneficiary Cost Allocation

   Any regional transmission project that continues to meet the region's benefit/cost and other criteria for regional cost allocation will remain eligible for selection in the Regional Plan for purposes of cost allocation.

6. Approval of the WestConnect Regional Transmission Plan

   Upon completion of the process outlined above, the PMC will vote on whether to accept the proposed plan. The Regional Plan will document why projects were either included or not included in the Regional Plan. In addition, the Regional Plan describes the manner in which the applicable regional cost allocation methodology was applied to each project selected in the Regional Plan for purposes of regional cost allocation. Projects that meet system needs are incorporated into the Regional Plan. Participant funded projects and other types of projects may be included in the Regional Plan; however, those projects are not eligible for regional cost allocation.

K. Reevaluation of the WestConnect Regional Plan

The PMC is the governing body responsible for deciding whether to reevaluate the Regional Plan to determine if the conditions, facts and/or circumstances relied upon in initially selecting a transmission project for inclusion in the Regional Plan for purposes of cost allocation have changed and, as a result, require reevaluation. Reevaluation will begin within the second planning cycle following Effective Date, which is the effective date of the Planning Participation Agreement. The Regional Plan and any project selected for cost allocation in the Regional Plan, including any local or single-system transmission projects or planned transmission system upgrades to existing facilities selected for

purposes of cost allocation, shall be subject to reevaluation in each subsequent planning cycle according to the criteria below. Upon reevaluation, the Regional Plan and any projects selected for purposes of cost allocation in connection therewith may be subject to modification, including the status as a project selected for cost allocation, with any costs reallocated under Section VII as if it were a new project. Only the PMC has the authority to modify the status of a transmission project selected for cost allocation. Conditions that trigger reevaluation are:

1. The underlying project characteristics and/or regional or interregional needs change in the Regional Plan. Examples include, but are not limited to: (a) a project's failure to secure a developer, or a developer's failure to maintain the qualifications necessary to utilize regional cost allocation, or (b) a change (increase or decrease) in the identified beneficiaries of a project (which changes may occur through company acquisitions, dissolutions, or otherwise), (c) a change in the status of a large load that contributes to the need for a project, or (d) projects affected by a change in law or regulation;

2. Projects that are delayed and fail to meet their submitted in-service date by more than two (2) years. This includes projects delayed by funding, regulatory approval, contractual administration, legal proceedings (including arbitration), construction delays, or other delays;

3. Projects with significant project changes, including, but not limited to kilovolt (kV), megavolt ampere (MVA), or path rating, number of circuits, number of transmission elements, or interconnection locations; and

4. Projects with a change in the calculation of benefits or benefit/cost (B/C) ratio that may affect whether the project selected for inclusion in the Regional Plan for purposes of cost allocation is a more efficient or cost-effective regional solution.

    a. Example 1: Where an increase in the selected project's costs, including but not limited to, material, labor, environmental mitigation, land acquisition, operations and maintenance, and mitigation for identified transmission system and region, causes the total project costs to increase above the level upon which the project was initially selected for inclusion in the Regional Plan for purposes of cost allocation, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient or cost-effective solution under current cost information.

    b. Example 2: A selected project's benefits may include identification of a reliability benefit in the form of remedying a violation of a Reliability Standard. If the identified beneficiary implements improvements, such as a Remedial Action

Scheme, to achieve reliability in compliance with the Reliability Standard at issue, inclusion of the regional project in the regional plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient or cost-effective solution under current benefit information.

c. Example 3: Where a project's estimated benefits include benefits in the form of avoided costs (e.g., a regional project's ability to avoid a local project), and the project is not avoided, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient or cost-effective solution under current facts and circumstances.

Projects selected for purposes of cost allocation will continue to be reevaluated until all the following conditions have been met:

- State and federal approval processes completed and approved (including cost recovery approval under Section 205 of the Federal Power Act as applicable);
- All local, state, and federal siting permits have been approved; and
- Major construction contracts have been issued.

When the Regional Plan is reevaluated as a result of any of the conditions triggering reevaluation addressed above, the PMC determines if an evaluation of alternative transmission solutions is needed in order to meet an identified regional need. In doing so, the PMC uses the same processes and procedures it used in the identification of the original transmission solution to the regional need. If an alternative transmission solution is needed, the incumbent Transmission Owner may propose one or more solutions that it would implement within its retail distribution service territory or footprint, and if such proposed solution is a transmission facility, the Transmission Owner may submit the project for possible selection in the Regional Plan for purposes of cost allocation.

Projects not subject to reevaluation include, but are not limited to, the following:

- Local or single system transmission projects that have been identified in individual Transmission Owner's Transmission Planning (TPL) Reliability Standards compliance assessments to mitigate reliability issues and that have not been proposed for (and selected by the PMC for) regional cost allocation; and
- Planned transmission system upgrades to existing facilities that have not been proposed for (and selected by the PMC for) regional cost allocation.

  Projects meeting any of the following criteria as of Effective Date will also not be subject to reevaluation under the Regional Planning Process:

- Projects of Transmission Owners who have signed the Planning Participation Agreement and that have received approval through local or state regulatory authorities or board approval;
- Local or single system transmission projects that have been planned and submitted for inclusion in the Regional Plan or exist in the 10-year corporate capital project budgets; and
- Projects that are undergoing review through the WECC Project Coordination and Rating Review Process as of Effective Date.

L. Confidential or Proprietary Information

Although the Regional Planning Process is open to all stakeholders, Stakeholders are required to comply at all times with certain applicable confidentiality measures necessary to protect confidential information, proprietary information or CEII. From time to time the regional transmission planning studies and/or open stakeholder meetings may include access to base case data that are WECC proprietary data, information classified as CEII, or other similar confidential or proprietary information. In such cases, access to such confidential or proprietary information shall be limited to only those stakeholders that (i) hold membership in or execute a non-disclosure agreement (NDA) with WECC (See www.wecc.biz) or (ii) execute a non-disclosure agreement with the applicable WestConnect Planning Region members, as may be applicable.

Any entity wishing to access confidential information, subject to applicable Standards of Conduct requirements, discussed in the Regional Planning Process must execute an NDA, and submit it to mailto:NDA@westconnect.com. A link to the NDA has been provided http://clkrep.lacity.org/onlinedocs/2016/16-0098_misc_5_01-25-2016.pdf.

IV. Coordination at the Western Interconnection Level

LADWP will coordinate its transmission plan on a west-wide regional basis through SWAT and WestConnect. WestConnect will coordinate its regional transmission plan with the other regional plans in the Western Interconnection and at the WECC level.

A. Procedures for Inter-Regional Planning Project Review

1. WECC Coordination of Reliability Planning

    a. WECC develops the Western Interconnection-wide base cases for transmission planning analysis such as power flow, stability and dynamic voltage stability studies. The WECC-approved base cases are used for study purposes by

transmission planners, subregional transmission planning groups, and other entities that have signed non-disclosure agreements with WECC.

b. WECC also maintains a data base for reporting the status of all planned projects throughout the Western Interconnection.
c. WECC provides for coordination of planned projects through its Procedures for Regional Planning project review.
d. WECC's path rating process ensures that a new project will have no adverse effect on existing projects or facilities.

2. WECC Open Stakeholder Meetings

Western Interconnection-wide economic planning studies are conducted by the WECC in an open stakeholder process that holds region-wide stakeholder meetings on a regular basis. The WECC Transmission Planning Protocol, including the WECC procedures for prioritizing and completing regional economic studies, is posted on the WECC website. LADWP participates in the region-wide transmission planning process, as appropriate, to ensure that data and assumptions are coordinated.

3. Role of WECC

WECC provides two primary functions in relation to the LADWP transmission planning process.

a. Development and maintenance of the west-wide economic planning study database.

    i. WECC uses publicly available data to compile a database that can be used by a number of economic congestion study tools.
    ii. WECC's database is publicly available for use in running economic congestion studies. For an interested transmission customer or stakeholder to utilize WECC's Pro-Mod planning model, it must comply with WECC confidentiality requirements.

b. Performance of economic planning studies. WECC has an annual study cycle, described in the WECC Transmission Planning Protocol, during which it will update databases, develop and approve a study plan that includes studying Requesters' high priority economic study requests as determined by the open WECC stakeholder process, perform the approved studies and document the results in a report.
c. Identification of Congested Paths for WestConnect Economic Review. Through TEPPC's economic study process, congested paths may be reviewed

and identified as being candidates for economic transmission studies. Upon WECC Board approval of a designation for such a path, the WestConnect Regional Planning Process will review the path for potential economic transmission solutions.

V. Recovery of Planning Costs

LADWP's costs associated with the Transmission Provider's implementation of this Attachment K, including its share of costs associated with WestConnect, shall be recovered through LADWP's transmission rates. The costs for any regional economic planning study shall be paid for by the Requester of the study. Any costs incurred by any stakeholder for participation in the planning processes set forth in this Attachment K shall be borne by the stakeholder.

VI. Dispute Resolution

Any dispute between a stakeholder and LADWP ("Disputant or Disputants") involving Attachment K shall be conducted in accordance with the Dispute Resolution Process in Section 12 of LADWP's Open Access Transmission Tariff ("OATT").

Disputes Between PMC Members

For disputes between members of the PMC, the following dispute resolution procedures apply:

1. Initiating Dispute Resolution

The disputing PMC member(s) initiates its dispute by providing written notification to the PMC (or a designated sub-committee of the PMC) in accordance with the provisions of the Planning Participation Agreement, in which event the PMC will seek to resolve the dispute through discussion, negotiation and the development of a recommended course of action. The PMC may act to adopt a resolution recommended by its own committee members or sub-committees, or alternatively the disputing parties may act to refer the dispute to arbitration for resolution.

2. Arbitration

A dispute may be referred to arbitration under the governing provisions of the Planning Participation Agreement.

VII. Cost Allocation

A. Allocation of Costs for Local Projects

LADWP will utilize a case-by-case approach to allocate costs for new transmission projects. This approach will be based on the following principles:

1. Solicitation of Interest

LADWP may elect to conduct a solicitation of interest for certain projects. Upon a determination by LADWP to hold solicitation of interest for a transmission project, LADWP will:

a. Announce and solicit interest in the project through informational meetings, its website and/or other meant of dissemination as appropriate.
b. Hold meetings with interested parties and meetings with public utility staffs from potential affected areas.
c. Post information via WECC's planning project review reports.
d. Develop the initial transmission project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments form participants for final cost shares; and secure execution of construction and operating agreements.

2. Allocation of Costs

a. Proportional Allocation
For any project entered into pursuant to a solicitation process; project costs and associated transmission rights will generally be allocated proportionally to project participants subject to a negotiated participation agreement. In the event the process results in a single participant, the full cost and transmission rights will be allocated to that participant.
b. Economic Benefits or Congestion Relief
For any project not wholly within LADWP's local system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester.
c. LADWP's Rate Recovery
Notwithstanding the foregoing provisions, LADWP will not assume cost responsibility for any project if the cost of the project is not approved for recovery in its retail and/or wholesale rates.

4. Exclusions

The cost for projects undertaken in connection with requests for generator interconnection or transmission service in LADWP's systems are governed by the OATT and will not be subject to the provisions of this Attachment K

B. Allocation of Costs for Regional Transmission Planning Projects

For any project determined by the PMC to be eligible for regional cost allocation, project costs will be allocated proportionally to those entities determined by the PMC, as shown in the Regional Plan, to be beneficiaries in the WestConnect Planning Region, as identified in this Attachment K, subject to the processes set forth in Sections II through IV.

The PMC, with input from the CAS, determines whether a project is eligible for regional cost allocation, and assesses the project's costs against its benefits in accordance with the following factors:

- Benefits and beneficiaries will be identified before cost allocation methods are applied.
- Cost assignments shall be commensurate with estimated benefits.
- Those that receive no benefits must not be involuntarily assigned costs.
- A benefit-to-cost ("B/C") threshold of not more than 1.25 shall be used, as applicable, so that projects with significant benefits are not excluded.
- Costs must be allocated solely within the WestConnect Planning Region, unless other regions or entities voluntarily assume costs.
- Costs for upgrades on neighboring transmission systems or other planning regions that are (i) required to be mitigated by the WECC Path Rating process, FERC tariff requirements, or NERC Reliability Standards, or (ii) negotiated among interconnected parties will be included in the total project costs and used in the calculation of B/C ratios.
- Cost allocation method and data shall be transparent and with adequate documentation.
- Different cost allocation methods may be used for different types of projects.

Specifically, the PMC will consider the following projects eligible for cost allocation consideration as further described below based on specified criteria:

- Reliability projects;
- Economic or congestion relief projects; or
- Public policy projects.

Only projects that fall within one or more of these three categories and satisfy the cost-to-benefit analyses and other requirements, as specified herein, are eligible for cost allocation

in the WestConnect Planning Region. LADWP encourages all interested stakeholders to consult the Business Practice Manual for additional details regarding the assessment for eligibility for regional cost allocation. Summary provisions are provided below.[3]

1. Allocation of Costs for Reliability Projects

In order to allocate costs to Transmission Owners for system reliability improvements that are necessary for their systems to meet the NERC TPL standards, the WestConnect cost allocation procedure shall allocate costs for system reliability improvements only when a system improvement is required to comply with the NERC TPL Reliability Standards during the planning horizon.

All components of a Transmission Owner's local transmission plan shall be included in the Regional Plan and shall be considered Local Transmission Projects that are not eligible for regional cost allocation. A system performance analysis shall be performed on the collective plans to ensure the combined plans adhere to all relevant NERC TPL Reliability Standards and stakeholders shall be afforded an opportunity to propose projects that are more efficient or cost-effective than components of multiple Transmission Owner local plans as outlined in Section II.F, above.

Should a reliability issue be identified in the review of the included local transmission plan, the project necessary to address that reliability issue shall be included in the Regional Plan and the cost shall be shared by the utilities whose load contributed to the need for the project.

Should multiple utilities have separate reliability issues that are addressed more efficiently or cost-effectively by a single regional project, that regional project shall be approved for selection in the Regional Plan and the cost shall be shared by those Transmission Owners in proportion to the cost of alternatives that could be pursued by the individual Transmission Owners to resolve the reliability issue. The ultimate responsibility for maintaining system reliability and compliance with NERC Transmission Planning Standards rests with each Transmission Owner.

The costs for regional reliability projects shall be allocated according to the following equation:

(1 divided by 2) times 3 equals 4

Where:

[3] References to "Transmission Owners" in the cost allocation provisions are to transmission owners for which the WestConnect Planning Management Committee is performing the function of regional transmission planning. At present, those Transmission Owners are TOLSO members.

1 is the cost of local reliability upgrades necessary to avoid construction of the regional reliability project in the relevant Transmission Owner's retail distribution service territory or footprint

2 is the total cost of local reliability upgrades in the combination of Transmission Owners' retail distribution service territories or footprints necessary to avoid construction of the regional reliability project

3 is the total cost of the regional reliability project

4 is the total cost allocated to the relevant Transmission Owner's retail distribution service territory or footprint

The manner in which the PMC applied this methodology to allocate the costs of each regional reliability project shall be described in the Regional Plan.

2. Allocation of Costs for Economic Projects

Cost allocation for economic projects associated with congestion relief that provide for more economic operation of the system will be based on the calculation of economic benefits that each Transmission Owner system will receive. Cost allocation for economic projects shall include scenario analyses to ensure that benefits will actually be received by beneficiaries with relative certainty. Projects for which benefits and beneficiaries are highly uncertain and vary beyond reasonable parameters based on assumptions about future conditions will not be selected for cost allocation.

In order for a project to be considered economically-justified and receive cost allocation associated with economic projects, the project must have a B/C ratio that is greater than 1.0 under each reasonable scenario evaluated and have an average ratio of at least 1.25 under all reasonable scenarios evaluated. Costs will be allocated on the basis of the average of all scenarios evaluated. The B/C ratio shall be calculated by the PMC. This B/C ratio shall be determined by calculating the aggregate load-weighted benefit-to-cost ratio for each transmission system in the WestConnect Planning Region. The benefits methodology laid out below ensures that the entities that benefit the most from the completion of an economic project are allocated costs commensurate with those project benefits.

The cost of any project that has an aggregate 1.25 B/C ratio or greater will be divided among the Transmission Owners that show a benefit based on the amount of benefits calculated to each respective Transmission Owner. For example, if a $100 million-dollar project is shown to have $150 million in economic benefit, the entities for which the economic benefit is incurred will be determined. The cost of the project will then be allocated to those entities, based on the extent of each entity's economic benefits relative to the total project benefits. This will ensure that each entity that is allocated cost has a B/C ratio equal to the total project B/C ratio. For example:

- Project with $150 million in economic benefit and $100 million in cost
  - Company 1 has $90 million in benefits; Company 2 has $60 million in benefits
  - Company 1 allocation: 90/150 (100) = $60 million
  - Company 1 B/C ratio: 90/60 = 1.5
  - Company 2 allocation: 60/150 (100) = $40 million
  - Company 2 B/C ratio: 60/40 = 1.5

Other than through the reevaluation process described in Section III.J of this Attachment K, the benefits and costs used in the evaluation shall only be calculated during the planning period and shall be compared on a net present value basis.

The WestConnect economic planning process shall consider production cost savings and reduction in reserve sharing requirements as economic benefits capable of contributing to the determination that a project is economically justified for cost allocation. Production cost savings are determined by the PMC performing a product cost simulation to model the impact of the transmission project on production costs and congestion. Production cost savings will be calculated as the reduction in production costs between a production cost simulation with the project included compared to a simulation without the project. Reductions in reserve sharing requirements are determined by the PMC identifying a transmission project's impact on the reserve requirements of individual transmission systems, and not on the basis of the project's collective impact on a reserve sharing group, as a whole. The production cost models appropriately consider the hurdle rates between transmission systems. The following production cost principles may be applied:

- The production cost savings from a project must be present in each year from the project in-service date and extending out at least ten (10) years.
- Cost savings must be expressed in present-value dollars and should consider the impact of various fuel cost forecasts.
- The production cost study must account for contracts and agreements related to the use of the transmission system (this refers to paths in systems that might be contractually limited but not reliability limited).
- The production cost study must account for contracts and agreements related to the access and use of generation (this refers to generators that might only use spot purchases for fuel rather than firm purchases, or generation that has been designated as network resources for some entities and thus cannot be accessed at will by non-owners).

Access by stakeholders to the PMC's application of its regional cost allocation method for a specific economic transmission project is available in several ways: First, stakeholders that are members of the PMC will have firsthand knowledge of the way in which the regional method was applied to a particular project because the PMC is responsible for performing

the application of the regional cost allocation method. Second, stakeholders that choose not to become members of the PMC may access such information through the WestConnect regional stakeholder process. See Section III.B of this Attachment K. Third, the manner in which the PMC applied this methodology to allocate the costs of each economic project shall be described in the Regional Plan.

In determining which entities shall be allocated costs for economic projects, WestConnect shall compare the economic value of benefits received by an entity with the cost of the project to ensure that each entity allocated cost receives a benefit/cost ratio equal to the aggregate load-weighted benefit-to-cost ratio. These costs allocated to each company shall be calculated based on the following equation:

(1 divided by 2) times 3 equals 4

Where:

1 is the total projected present value of economic benefits for the relevant Transmission Owner

2 is the total projected present value of economic benefits for the entire project

3 is the total cost of the economic project

4 is the total cost allocated to the relevant Transmission Owner

Any Transmission Owner with benefits less than or equal to one percent of total project benefits shall be excluded from cost allocation. Where a project satisfies the B/C ratio, and is determined to provide benefits less than or equal to one percent of total project benefits to an identified Transmission Owner, such benefits will be re-allocated to all other identified beneficiaries on a pro rata basis, in relation to each entity's share of total project benefits.

3. Allocation of Costs for Public Policy Projects

Any transmission system additions that arise from Public Policy Requirements shall be included in the system models used for the WestConnect transmission system studies. Further, any additional system needs that arise from proposed public policy shall be reported by each entity for its own service territory. Decisions on the inclusion of those needs shall be made during the consideration and approval of the system models. Transmission needs driven by Public Policy Requirements will be included in the evaluation of reliability and economic projects.

Except for projects proposed through a Transmission Owner's local planning process, arising out of a local need for transmission infrastructure to satisfy Public Policy Requirements that are not submitted as projects proposed for cost allocation (which are

addressed in Section II of this Attachment K), any projects arising out of a regional need for transmission infrastructure to satisfy the Public Policy Requirements shall be considered public policy projects eligible for evaluation in the Regional Planning Process.

Stakeholders may participate in identifying regional transmission needs driven by Public Policy Requirements. After seeking the input of stakeholders pursuant to the stakeholder participation provisions of Section III, the PMC determines whether to move forward with the identification of a regional solution to a particular regional need driven by Public Policy Requirements. Stakeholders may participate in identifying a regional solution to a regional need driven by Public Policy Requirements pursuant to the stakeholoder participation provisions of Section III, or through membership on the PMC itself. After seeking the input of stakeholders, the PMC determines whether to select a particular regional solution in the regional transmission plan for purposes of cost allocation. The identification of beneficiaries of these projects shall be the entities that shall access the resources enabled by the project in order to meet their Public Policy Requirements.

If an entity accesses resources that were enabled by a prior public policy project, that entity shall need to either share in its relative share of the costs of that public policy project or acquire sufficient transmission service rights to move the resources to its load with the determination left up to the entity or entities that were originally allocated the cost for the public policy project. The costs for public policy projects shall be allocated according to the following equation:

(1 divided by 2) times 3 equals 4

Where:

1 is the number of megawatts of public policy resources enabled by the public policy project for the entity in question

2 is the total number of megawatts of public policy resources enabled by the public policy project

3 is the total project cost

4 is the cost for the public policy project allocated to the entity in question

The process to interconnect individual generation resources would be provided for under the generator interconnection section each utility's OATT and not under this process.

Requests for transmission service that originate in a member's system and terminate at the border shall be handled through that member's OATT. Regional transmission needs necessary to meet Public Policy Requirements shall be addressed through the Public Policy Requirements section of the Regional Planning Process.

The manner in which WestConnect applied this methodology to each public policy project shall be described in the Regional Transmission Plan.

4. Combination of Benefits

In developing a more efficient or cost-effective plan, it is possible for the plan to jointly consider multiple types of benefits when approving projects for inclusion in the Regional Plan. The determination to consider multiple types of benefits for a particular project shall be made through the WestConnect stakeholder process, in which interested stakeholders are given an opportunity to provide input as set forth in Section III of this Attachment K. In determining whether a project would provide multiple benefits, the PMC categorizes the benefits as (a) necessary to meet NERC Transmission Planning Reliability Standards (reliability); (b) achieving production cost savings or a reduction in reserve sharing requirements (economic); or (c) necessary to meet transmission needs driven by Public Policy Requirements, as applicable, using the methods set forth in this Attachment K. The PMC will identify all three categories of benefits in its regional cost allocation process. If a project cannot pass the cost allocation threshold for any one of the three benefit categories, alone (reliability, economic or public policy), the sum of benefits from each benefit category may be considered.

- With respect to a reliability-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater, by a margin of 1.25 to 1, than the result of the equation identified in Section VII.C.1 above (where the result is shown as item 4 in the formula).

- With respect to an economic-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater than the project's cost to each beneficiary under each reasonable scenario evaluated, and must yield an average ratio of at least 1.25 to 1 under all reasonable scenarios evaluated, as described in Section VII.C.2 above.

- With respect to a Public Policy Requirements-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater, by a margin of 1.25 to 1, than the result of the equation identified in Section VII.C.3 above (where the result is shown as item 4 in the formula).

If a single regional transmission project is determined to provide benefits in more than one category, but does not meet the cost-benefit threshold for any single category, the PMC may consider the sum of benefits from each benefit category to determine if the regional transmission project provides, in total, benefits per beneficiary that meet or exceed the region's 1.25 to 1 benefit to cost ratio. To illustrate, consider the following example where a regional project developed to provide public policy requirement benefits might also provide for economic benefits to the same beneficiaries:

A regional project submittal has undergone analysis for its quantifiable benefits and costs and is determined to cost $100 million and produce benefits to identified beneficiaries in two categories: economic benefits of $101 million (on average, under all economic scenarios quantified), and public policy requirement benefits of $70 million. The project is found to fail the cost-benefit threshold for each category, individually, but when the total benefits are combined and the project's total regional benefits per beneficiary are weighed against the project's total costs per beneficiary, the project can be found to meet or surpass the region's 1.25 to 1 benefit to cost ratio per beneficiary:

- The benefits to Beneficiary A of pursuing the regional solution (60% of the regional project's total $171 million in benefits) = $102.6 million. When $102.6 million in project benefits is compared against $60 million in project costs (60% of project costs), it yields a B/C ratio of 1.71 to 1 for Beneficiary A.

- The benefits to Beneficiary B of pursuing the regional solution (40% of the regional project's total $171 million in benefits) = $68.4 million. When $68.4 million in project benefits is compared against $40 million in project costs (40% of project costs), it yields a B/C ratio of 1.71 to 1 for Beneficiary B.

Even though the regional project does not pass the cost allocation threshold in any individual benefit category, the PMC may consider the sum of the project's benefits in all categories.

For those regional projects that satisfy the region's cost allocation threshold, the PMC then will continue its evaluation process by considering whether the regional project meets the region's identified reliability, economic and Public Policy Requirements-driven needs more efficiently or cost-effectively than solutions identified by individual transmission providers in their local transmission planning processes.

The costs for projects that rely upon multiple types of benefits to secure inclusion in the Regional Plan for purposes of cost allocation shall be shared according to the amount of cost that is justified by each type of benefit.

5. Allocation of Ownership and Capacity Rights

An Eligible Transmission Developer that is subject to the Commission's jurisdiction under Section 205 of the Federal Power Act may not recover project costs from identified beneficiaries in the WestConnect Planning Region without securing approval for project cost recovery from FERC through a separate proceeding brought by the Eligible Transmission Developer under Section 205 of the Federal Power Act. In no event will

identified beneficiaries in the WestConnect Planning Region from whom project costs are sought to be recovered under Section 205 be denied either transmission transfer capability or ownership rights proportionate to their allocated costs, as determined by FERC in such proceeding. An Eligible Transmission Developer that is not subject to the Commission's jurisdiction under Section 205 of the Federal Power Act would have to seek cost recovery from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from FERC for project cost recovery pursuant to any other applicable section of the Federal Power Act.

If a project beneficiary receives transmission transfer capability on the project in exchange for transmission service payments, such project beneficiary may resell the transfer capability. Alternatively, a project beneficiary could seek to make a direct capital contribution to the project construction cost (in lieu of making transmission service payments) in which case the project beneficiary would instead receive an ownership percentage in proportion to their capital contribution ("Ownership Proposal"). This Ownership Proposal does not create a right of first refusal for transmission beneficiaries.

An ownership alternative will only be pursued if the Eligible Transmission Developer agrees. The Eligible Transmission Developer and the beneficiaries will enter into contract negotiations to address the many details regarding the capital funding mechanics and timing, as well as other details, such as defining (as between the Eligible Transmission Developer, whether a non-incumbent or incumbent transmission developer, and those receiving ownership interests) responsibility for operations and maintenance, administrative tasks, compliance with governing laws and regulations, etc. These negotiations will take place at arm's length, without any one party having undue leverage over the other.

A transmission project beneficiary should not be expected to pay for its benefits from the project twice: once through a capital contribution, and again through transmission service payments. The Ownership Proposal permits an ownership share in a project that is in the same proportion to a beneficiary's allocable costs, which costs will have been allocated roughly commensurate with the benefits to be gained from the project. This will allow the beneficiary to earn a return on its investment. In addition, it allows those beneficiaries that may not necessarily benefit from additional transfer capability on a new transmission project, whether due to lack of contiguity to the new facilities or otherwise, to realize the benefits through an ownership option.

Any transmission project participant that is identified as a beneficiary of the project might be permitted by the Eligible Transmission Developer to contribute capital (in lieu of transmission service payments) and receive a proportionate share of ownership rights in the transmission project. The Ownership Proposal affords an identified beneficiary who contributes toward the project costs the opportunity to obtain an ownership interest in lieu

of an allocated share of the project costs through transmission service payments for transfer capability on the project; it does not, however, confer a right to invest capital in a project. The Ownership Proposal merely identifies that, to the extent it is agreed among the parties that capital may be contributed toward a transmission project's construction, a proportionate share of ownership rights will follow.

Nothing in this Attachment K with respect to Order No. 1000 cost allocation imposes any new service on beneficiaries. Similarly, nothing in this Attachment K with respect to Order No. 1000 cost allocation imposes on an Eligible Transmission Developer an obligation to become a provider of transmission services to identified beneficiaries simply as a result of a project's having been selected in the Regional Plan for purposes of cost allocation; provided, however, if that Eligible Transmission Developer seeks authorization to provide transmission services to beneficiaries or others, and to charge rates or otherwise recover costs from beneficiaries or others associated with any transmission services it were to propose, it must do so by contract and/or under separate proceedings under the Federal Power Act. The purpose of this Section VII.C.5 is to (a) provide an option to a project developer to negotiate ownership rights in the project with identified beneficiaries, if both the developer and the identified beneficiaries mutually desire to do so, (b) specify that, although Order No. 1000 cost allocation does not impose any new service on beneficiaries, identified beneficiaries have the opportunity to discuss with the project developer the potential for entering into transmission service agreements for transmission capacity rights in the project, and (c) ensure that Order No. 1000 cost allocation does not mean that a project developer may recover project costs from identified beneficiaries without providing transmission transfer capability or ownership rights, and without securing approval for project cost recovery by contract and/or under a separate proceeding under the Federal Power Act.

If an Eligible Transmission Developer is not subject to FERC's jurisdiction under section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from FERC for project cost recovery pursuant to any other applicable section of the Federal Power Act.

6. Project Development Schedule

The WestConnect PMC will not be responsible for managing the development of any project selected for inclusion in the Regional Plan. However, after having selected a project in the Regional Plan, the PMC will monitor the status of the project's development. If a transmission facility is selected for inclusion in the Regional Plan for purposes of cost allocation, the transmission developer of that transmission facility must submit a development schedule that indicates the required steps, such as the granting of state approvals, necessary to develop and construct the transmission facility such that it meets

the regional transmission needs of the WestConnect Planning Region. As part of the ongoing monitoring of the status of the transmission project once it is selected, the Transmission Owners and Providers in the WestConnect Planning Region shall establish the dates by which the required steps to construct must be achieved that are tied to when construction must begin to timely meet the need that the project is selected to address. If such required steps have not been achieved by those dates, then the Transmission Owners and Providers in the WestConnect Planning Region may remove the transmission project from the selected category and proceed with reevaluating the Regional Plan to seek an alternative solution.

7. Economic Benefits or Congestion Relief

For a transmission project wholly within the Transmission Provider's local transmission system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester. A "Requester" is defined as any LADWP transmission customer or other stakeholder, including sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources.

8. LADWP Rate Recovery

Notwithstanding the foregoing provisions, LADWP will not assume cost responsibility for any project if the cost of the project is not approved for recovery in its retail and/or wholesale transmission rates.

9. Selection of a Transmission Developer for Sponsored and Unsponsored Projects

For any project (sponsored or unsponsored) determined by the PMC to be eligible for regional cost allocation and selected in the Regional Plan for purposes of cost allocation, the PMC shall select a transmission project developer according to the processes set forth in this section, provided that selection according to those processes does not violate applicable law where the transmission facility is to be built that otherwise prescribes the entity that shall develop and build the project. Any entity that, pursuant to applicable law for the location where the facilities are to be built, shall or chooses to develop and build the project must submit a project development schedule as required by Section VII.B.6 of this Attachment K, within the timeframe directed by the Business Practice Manual, not to exceed the time period for request for proposal responses.

For any project determined by the PMC to be eligible for regional cost allocation and selected in the Regional Plan for purposes of cost allocation, either sponsored by a transmission developer or unsponsored, that is not subject to the foregoing paragraph, the PMC shall upon posting the selected projects, issue a request for information to all Eligible Transmission Developers under Section III.D.3 of this Attachment K soliciting their interest in developing the project(s).

Each transmission developer shall respond to the request for information indicating its interest in developing the project. The PMC shall post on the WestConnect website the list of all transmission developers who responded with an expression of interest in developing the project(s). The PMC shall provide to each developer indicating interest in developing a project a request for proposals for the identified project(s) with a specified date of return for all proposals. Each transmission developer, or partnership or joint ventures of transmission developers, shall submit information demonstrating its ability to finance, own and construct the project consistent with the guidelines for doing so set forth in the WestConnect Business Practices Manual. The PMC shall assess the submissions according to the following process and criteria:

The evaluation of the request for proposals will be at the direction of the PMC, and will involve representatives of the beneficiaries of the proposed project(s). The evaluation will include, but not be limited to, an assessment of the following evidence and criteria.

- General qualifications of the bidding entity;
- Evidence of financing/financial creditworthiness, including
  - financing plan (sources debt and equity), including construction financing and long-term financing
  - ability to finance restoration/forced outages
  - credit ratings
  - financial statements;
- Safety program and experience;
- Project description, including
  - detailed proposed project description and route
  - design parameters
  - design life of equipment and facilities
  - description of alternative project variations;
- Development of project, including
  - experience with and current capabilities and plan for obtaining state and local licenses, permits, and approvals
  - experience with and current capabilities and plan for obtaining any federal licenses and permits
  - experience with and expertise and plan for obtaining rights of way
  - development schedule
  - development budget;
- Construction, including
  - experience with and current capabilities and plan for project construction
  - third party contractors
  - procurement plan
  - project management (cost and schedule control)

  - construction schedule
  - construction budget (including all construction and period costs;
- Operations, including
  - experience with and current capabilities and plan for project operation
  - experience with and current capabilities and plan for NERC compliance
  - security program and plan
  - storm/outage response plan
  - reliability of facilities already in operation;
- Maintenance capabilities and plans for project maintenance (including staffing, equipment, crew training, and facilities);
- Project cost to beneficiaries, including
  - total project cost (development, construction, financing, and other non- O&M costs)
  - operation and maintenance costs, including evaluation of electrical losses
  - revenue requirement, including proposed cost of equity, FERC incentives, proposed cost of debt and total revenue requirement calculation
  - present value cost of project to beneficiaries.

The PMC shall notify the developers of its determination as to which developer(s) it selected to develop the project(s) responsive to the request for proposal. The selected developer(s) must submit a project development schedule as required by Section VII.C.6 of this Attachment K.

If the PMC determines that a sponsored or unsponsored project fails to secure a developer through the process outlined in this section, the PMC shall remove the project from the Regional Plan.

After the PMC makes a determination, it will post a document on the WestConnect website within 60 days explaining the PMC's determination in selecting a particular transmission developer for a specific transmission project. The information will explain (1) the reasons why a particular transmission developer was selected or not selected, and, if applicable, (2) the reasons why a transmission project failed to secure a transmission developer.

10. No Obligation to Construct

The WestConnect Regional Planning Process is intended to determine and recommend more efficient or cost-effective transmission solutions for the WestConnect Planning Region. After the Regional Plan is approved, due to the uncertainty in the planning process and the need to address cost recovery issues, the Regional Planning Process shall not obligate any entity to construct, nor obligate any entity to commit to construct, any facilities, including any transmission facilities, regardless of whether such facilities are included in any plan. Nothing in this Attachment K or the Planning Participation Agreement or any

cost allocation under the Business Practice Manual or the Planning Participation Agreement will (1) determine any transmission service to be received by, or any transmission usage by, any entity, (2) obligate any entity to purchase or pay for, or obligate any entity to commit to purchase or pay for, any transmission service or usage, or (3) entitle any entity to recover for any transmission service or usage or to recover from any entity any cost of any transmission facilities, regardless of whether such transmission facilities are included in any plan. Without limiting the generality of the foregoing, nothing in this Attachment K, the Business Practice Manual or the Planning Participation Agreement with respect to an Order No. 1000 cost allocation shall preclude WestConnect or any other entity from carrying out any of its statutory authorities or complying with any of its statutory obligations.

11. Binding Order No. 1000 Cost Allocation Methods

Order No. 1000 cost allocation methods as set forth in Section VIII of this Attachment K are binding on identified beneficiaries enrolled in the WestConnect Planning Region, without prejudice to the following rights and obligations: (1) the right of a CTO, at its sole discretion, to decide whether to accept regional cost allocation in accordance with Section III.J; (2) the right and obligation of the PMC to reevaluate a transmission facility previously selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation under Section III.K of this Attachment K; (3) the right and obligation of an Eligible Transmission Developer to make a filing under Section 205 or other applicable provision of the Federal Power Act in order to seek approval from the Commission to recover the costs of any transmission facility selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation; (4) the right and obligation of any interested person to intervene and be heard before the Commission in any Section 205 or other applicable provision proceeding initiated by an Eligible Transmission Developer, including the right of any identified beneficiaries of the transmission facility to support or protest the filing and to present evidence on whether the proposed cost recovery is or is not just and reasonable; and (5) the right and obligation of the Commission to act under Section 205 or other applicable provisions of the Federal Power Act to approve or deny any cost recovery sought by an Eligible Transmission Developer for a transmission facility selected in the regional plan for purposes of Order No. 1000 cost allocation.[4]

12. Impacts of a Regional Project on Neighboring Planning Regions

The PMC studies the impact(s) of a regional transmission project on neighboring planning regions, including the resulting need, if any, for mitigation measures in such neighboring

[4] An Eligible Transmission Developer may not be subject to the Commission's Section 205 jurisdiction. See Section VII.C.5. If an Eligible Transmission Developer is not subject to FERC's jurisdiction under Section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from the Commission for project cost recovery pursuant to any other applicable section of the Federal Power Act.

planning regions. If the PMC finds that a regional transmission project in the WestConnect Planning Region causes impacts on a neighboring planning region that requires mitigation (a) by the WECC Path Rating Process, (b) under FERC OATT requirements, (c) under NERC Reliability Standards requirements, and/or (d) under any negotiated arrangement between the interconnected entities, the PMC includes the costs of any such mitigation measures into the regional transmission project's total project costs for purposes of determining the project's eligibility for regional cost allocation under the procedures identified in Section VII.C of this Attachment K, including application of the region's benefits-to-costs analysis.

The WestConnect Planning Region will not be responsible for compensating a neighboring planning region, Transmission Provider, Transmission Owner, Balancing Area Authority, or any other entity, for the costs of any required mitigation measures, or other consequences, on their systems associated with a regional transmission project in the WestConnect Planning Region, whether identified by the PMC or the neighboring system(s). The PMC does not direct the construction of transmission facilities, does not operate transmission facilities or provide transmission services, and does not charge or collect revenues for the performance of any transmission or other services. Therefore, in agreeing to study the impacts of a regional transmission facility on neighboring planning regions, the PMC is not agreeing to bear the costs of any mitigation measures it identifies. However, the PMC will request of any developer of a regional transmission project selected in the Regional Plan for purposes of cost allocation that the developer design and build its project to mitigate the project's identified impacts on neighboring planning regions. If the project is identified as impacting a neighboring planning region that accords less favorable mitigation treatment to the WestConnect Planning Region than the WestConnect Planning Region accords to it, the PMC will request that the project developer reciprocate by using the lesser of (i) the neighboring region's mitigation treatment applicable to the mitigation of impacts of its own regional projects on the WestConnect Planning Region, or (ii) the PMC's mitigation treatment set forth above in sub-sections (a) through (d).

13. Exclusions

a. The cost for transmission projects undertaken in connection with requests for generation interconnection or transmission service on the LADWP transmission system, which are governed by existing cost allocation methods within LADWP's OATT, shall continue to be so governed and shall not be subject to the provisions of this Attachment K.

b. As provided in LADWP's OATT, and the Transmission Customer's individual service agreement (if applicable), the Transmission Customer or Requester shall be responsible for the installed cost of all new load serving interconnections or upgrades to existing load serving interconnections.

VIII. Interregional Planning

This Section VIII of Attachment K sets forth common provisions, which are to be adopted by or for each Planning Region and which facilitate the implementation of Order No. 1000 interregional provisions. WestConnect is to conduct the activities and processes set forth in this Section VIII of Attachment K in accordance with the provisions of this Section VIII of Attachment K and the other provisions of the Attachment K, as applicable. Nothing in this Section VIII will preclude any transmission owner or transmission provider from taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements. Any Interregional Cost Allocation regarding any ITP (as defined herein) is solely for the purpose of developing information to be used in the regional planning process of each Relevant Planning Region, including the regional cost allocation process and methodologies of each such Relevant Planning Region. References in this Section VIII to any transmission planning processes, including cost allocations, are references to transmission planning processes pursuant to Order No. 1000.

A. Definitions

The following capitalized terms where used in this Section VIII of Attachment K, are defined as follows:

Annual Interregional Coordination Meeting: shall have the meaning set forth in Section VIII.C below.

Annual Interregional Information: shall have the meaning set forth in Section VIII.B below.

Interregional Cost Allocation: means the assignment of ITP costs between or among Planning Regions as described in Section VIII.E.2 below.

Interregional Transmission Project ("ITP"): means a proposed new transmission project that would directly interconnect electrically to existing or planned transmission facilities in two or more Planning Regions and that is submitted into the regional transmission planning processes of all such Planning Regions in accordance with Section VIII.D.1.

Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language: means this Section VIII, which relates to Order No. 1000 interregional provisions.

Planning Region: means each of the following Order No. 1000 transmission planning regions insofar as they are within the Western Interconnection: California Independent System Operator Corporation, ColumbiaGrid, Northern Tier Transmission Group, and WestConnect.

Relevant Planning Regions: means, with respect to an ITP, the Planning Regions that would directly interconnect electrically with such ITP, unless and until such time as a Relevant Planning Region determines that such ITP will not meet any of its regional transmission needs in accordance with Section VIII.D.2, at which time it shall no longer be considered a Relevant Planning Region.

A. Annual Interregional Information Exchange

Annually, prior to the Annual Interregional Coordination Meeting, WestConnect is to make available by posting on its website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in WestConnect's transmission planning region and potential solutions thereto:

1. Study plan or underlying information that would typically be included in a study plan, such as:

   (a) identification of base cases;

   (b) planning study assumptions; and

   (c) study methodologies;

1. Initial study reports (or system assessments); and
2. Regional transmission plan

(collectively referred to as "Annual Interregional Information").

WestConnect is to post its Annual Interregional Information on its website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process WestConnect's Annual Interregional Information. WestConnect may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

WestConnect is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by WestConnect in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region, or (iii) any information if WestConnect reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission's Orders covering the standards of conduct for transmission providers. Annual Interregional Information made available or otherwise provided by WestConnect shall be subject to applicable confidentiality and CEII restrictions and other applicable

laws, under WestConnect's regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by WestConnect shall be "AS IS" and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of WestConnect, including any liability for (a) any errors or omissions in such Annual Interregional Information, or (b) any delay or failure to provide such Annual Interregional Information.

B. Annual Interregional Coordination Meeting

WestConnect is to participate in an Annual Interregional Coordination Meeting with the other Planning Regions. WestConnect is to host the Annual Interregional Coordination Meeting in turn with the other Planning Regions, and is to seek to convene such meeting in February, but not later than March 31st. The Annual Interregional Coordination Meeting is to be open to stakeholders. WestConnect is to provide notice of the meeting to its stakeholders in accordance with its regional transmission planning process.

At the Annual Interregional Coordination Meeting, topics discussed may include the following:

1. Each Planning Region's most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);

2. Identification and preliminary discussion of interregional solutions, including conceptual solutions, that may meet regional transmission needs in each of two or more Planning Regions more cost effectively or efficiently; and

3. Updates of the status of ITPs being evaluated or previously included in WestConnect's regional transmission plan.

C. ITP Joint Evaluation Process

1. Submission Requirements

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to Section VIII.D.2 by submitting the ITP into the regional transmission planning process of each Relevant Planning Region in accordance with such Relevant Planning Region's regional transmission planning process and no later than March 31st of any even-numbered calendar year. Such proponent of an ITP seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region must submit the ITP to each such Planning Region in accordance with such Planning Region's regional transmission planning process. In addition to satisfying each Relevant Planning Region's information requirements, the proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions to which the ITP is being submitted.

2. Joint Evaluation of an ITP

For each ITP that meets the requirements of Section VIII.D.1, WestConnect (if it is a Relevant Planning Region) is to participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the ITP's submittal in accordance with Section VIII.D.1 or the immediately following calendar year. With respect to any such ITP, WestConnect (if it is a Relevant Planning Region) is to confer with the other Relevant Planning Region(s) regarding the following:

(i) ITP data and projected ITP costs; and

(ii) The study assumptions and methodologies it is to use in evaluating the ITP pursuant to its regional transmission planning process.

For each ITP that meets the requirements of Section VIII.D.1, WestConnect (if it is a Relevant Planning Region):

(i) is to seek to resolve any differences it has with the other Relevant Planning Regions relating to the ITP or to information specific to other Relevant Planning Regions insofar as such differences may affect WestConnect's evaluation of the ITP;

(ii) is to provide stakeholders an opportunity to participate in WestConnect's activities under this Section VIII.D.2 in accordance with its regional transmission planning process;

(iii) is to notify the other Relevant Planning Regions if WestConnect determines that the ITP will not meet any of its regional transmission needs; thereafter

WestConnect has no obligation under this Section VIII.D.2 to participate in the joint evaluation of the ITP; and

(iv) is to determine under its regional transmission planning process if such ITP is a more cost effective or efficient solution to one or more of WestConnect's regional transmission needs.

D. Interregional Cost Allocation Process

1. Submission Requirements

For any ITP that has been properly submitted in each Relevant Planning Region's regional transmission planning process in accordance with Section VIII.D.1, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost allocation from WestConnect and each other Relevant Planning Region in accordance with its regional transmission planning process. The proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions in which Interregional Cost Allocation is being requested.

2. Interregional Cost Allocation Process

For each ITP that meets the requirements of Section VIII.E.1, WestConnect (if it is a Relevant Planning Region) is to confer with or notify, as appropriate, any other Relevant Planning Region(s) regarding the following:

(i) Assumptions and inputs to be used by each Relevant Planning Region for purposes of determining benefits in accordance with its regional cost allocation methodology, as applied to ITPs;

(ii) WestConnect's regional benefits stated in dollars resulting from the ITP, if any; and

(iii) Assignment of projected costs of the ITP (subject to potential reassignment of projected costs pursuant to Section VIII.F.2 below) to each Relevant Planning Region using the methodology described in this Section VIII.E.2.

For each ITP that meets the requirements of Section VIII.E.1, WestConnect (if it is a Relevant Planning Region):

(a) is to seek to resolve with the other Relevant Planning Regions any differences relating to ITP data or to information specific to other Relevant Planning Regions insofar as such differences may affect WestConnect's analysis;

(b) is to provide stakeholders an opportunity to participate in WestConnect's activities under this Section VIII.E.2 in accordance with its regional transmission planning process;

(c) is to determine its regional benefits, stated in dollars, resulting from an ITP; in making such determination of its regional benefits in WestConnect, WestConnect uses its regional cost allocation methodology, as applied to ITPs;

(d) is to calculate its assigned *pro rata* share of the projected costs of the ITP, stated in a specific dollar amount, equal to its share of the total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the ITP;

(e) is to share with the other Relevant Planning Regions information regarding what its regional cost allocation would be if it were to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation; WestConnect may use such information to identify its total share of the projected costs of the ITP to be assigned to WestConnect in order to determine whether the ITP is a more cost effective or efficient solution to a transmission need in WestConnect;

(f) is to determine whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation, based on its regional transmission planning process; and

(g) is to endeavor to perform its Interregional Cost Allocation activities pursuant to this Section VIII.E.2 in the same general time frame as its joint evaluation activities pursuant to Section VIII.D.2.

E. Application of Regional Cost Allocation Methodology to Selected ITP

1. Selection of all Relevant Planning Regions

If WestConnect (if it is a Relevant Planning Region) and all of the other Relevant Planning Regions select an ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Section VIII.E.2(d) or VIII.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

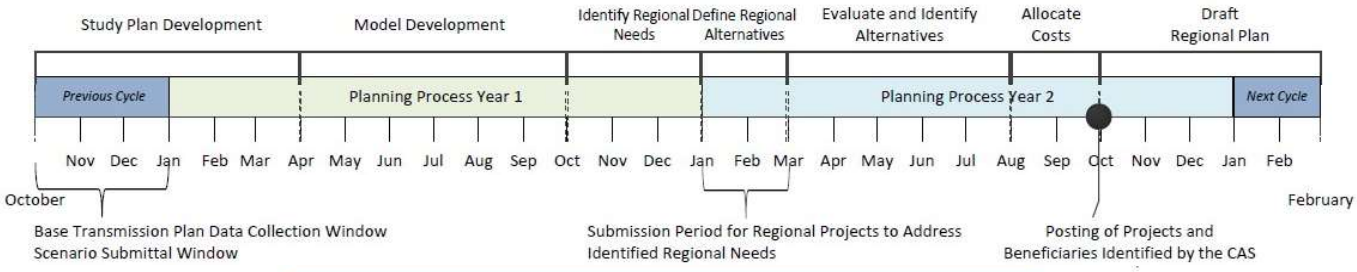
2. Selection by at Least Two but Fewer than All Relevant Planning Regions

If WestConnect (if it is a Relevant Planning Region) and at least one, but fewer than all, of the other Relevant Planning Regions select the ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation,

WestConnect is to evaluate (or reevaluate, as the case may be) pursuant to Sections VIII.E.2(d), VIII.E.2(e), and VIIIE.2(f) above whether, without the participation of the non-selecting Relevant Planning Region(s), the ITP is selected (or remains selected, as the case may be) in its regional transmission plan for purposes for Interregional Cost Allocation. Such reevaluation(s) are to be repeated as many times as necessary until the number of selecting Relevant Planning Regions does not change with such reevaluation.

If following such evaluation (or reevaluation), the number of selecting Relevant Planning Regions does not change and the ITP remains selected for purposes of Interregional Cost Allocation in the respective regional transmission plans of WestConnect and at least one other Relevant Planning Region, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections VIII.E.2(d) or VIII.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

Exhibit 1



Regional Planning Process Activity	Activity Timeframe
Stakeholder meetings	WestConnect will hold open stakeholder meetings on at least a semi-annual basis, or as needed and noticed by the PMC with 30 days advance notice, to update stakeholders about its progress in developing the Regional Plan and to solicit input regarding material matters of process related to the regional transmission plan.
Base transmission plan data collection window	The PS will initiate development of the base transmission plan no later than Quarter 8 of the previous biennial planning cycle and in conjunction with initiating the development of the Regional Study Plan. The submittal window for projects to be considered as part of the base transmission plan will be noticed a minimum of 15 days before the window opens, and the submittal window will stay open for a minimum of 30 days.
Scenario submittal window	A scenario submittal window will open when the development of the Regional Study Plan commences and no later than Quarter 8 of the previous biennial planning cycle. The scenario submittal window will be noticed a minimum of 15 days before the window opens, and the submittal window will stay open for a minimum of 30 days.
Identification of regional needs	Identified regional needs will be posted to the WestConnect website no later than close of Quarter 4 of the first year of the biennial cycle.
Submission Period for Regional Projects to Address Identified Regional Needs	For consideration in the current planning cycle, projects must be submitted following the posting of identified regional needs to the WestConnect website, and must occur before the end of Quarter 5 of the biennial planning cycle. Any project submitted after this date will be considered in the next subsequent planning cycle.

ATTACHMENT L

Creditworthiness Procedures

1. PURPOSE

For purposes of determining the ability of the Transmission Customer to meet its obligations pursuant to the Tariff, the Transmission Provider will apply the credit review procedures described herein.

Prior to the execution of a Service Agreement, the Transmission Provider will review the Transmission Customer's creditworthiness and thereafter as described herein by the Transmission Provider. This can be accomplished by contacting the Department's Credit Management Group at 213-367-4339. The Credit Management Group will inform the Transmission Group's Contract Manager when credit has been established. After the Transmission Service Agreement is signed, the Credit Management Group will establish the counterparty in its risk reporting system.

2. SECURED AND UNSECURED CREDIT CRITERIA

2.1 Unsecured Credit

A. Criteria Used to Determine Eligibility for Unsecured Credit

The Transmission Customer must meet one the following criteria to be eligible for unsecured credit:

1. Be a load serving entity, which means the Transmission Customer is a distribution utility or an electric utility that has a service obligation to its retail customers; or
2. Have or have a parent company with an investment-grade credit rating from at least one of the following national credit rating organizations: Standard & Poor's (S&P), Moody's Investor Services (Moody's), or Fitch Ratings (Fitch); and have an Expected Default Frequency (EDF) equivalent of investment-grade when calculated using the Moody's EDF criteria or the S&P EDF criteria. If the Transmission Customer has more than one rating, the lowest rating must be investment grade.

B. Maximum Unsecured Credit Available to an Eligible Transmission Customer

The maximum unsecured credit for physical power, transmission, and physical gas that may be extended to a Customer that is eligible for unsecured credit is identified in the Table below:

Category	Maximum Unsecured Credit Limit(1)
Investment Grade	$5,000,000
Non-Rated Subsidiary with Parent Guaranty	$2,000,000
Non-Rated Internal Scored(2)	$1,000,000
Non-Investment Grade	$0

(1) Limits are not to exceed 1.00% of the counterparty's most recent stockholders' equity.

(2) Internal Scores are derived from assessments of the financial strength and corresponding ability to pay on a timely basis.

C. Criteria used to Establish the Unsecured Credit Available to an Eligible Transmission Customer

The Transmission Provider will determine the unsecured credit available to an eligible Transmission Customer on a case-by-case basis based on:

1. Quantitative factors including capital structure; liquidity and financial flexibility; and financial statements, including profitability and cash flow, in particular; and
2. Qualitative factors including the Transmission Customer's payment history; the anticipated nature, volume, tenor, and notional value of transactions with the Transmission Provider; management; relevant contractual obligations, including any netting provisions; governance policies; ownership structure; litigation and contingencies; and financial and accounting policies.

D. Unsecured Credit Administration

Once a credit limit has been reached no additional sales may be made until payment or additional credit assurance is received. If at any time a Transmission Customer fails to pay unsecured amounts owed to Transmission Provider, the credit limit is reduced to zero.

2.2 Secured Credit

A. Transmission Customers Required to Provide Security

Security is required from Transmission Customers that do not qualify for unsecured credit or that exceed unsecured credit limits.

B. Acceptable Forms of Security

Transmission Provider ~~with~~ will accept any of the following forms of security from Transmission Customers required to provide security:

1. An irrevocable letter of credit in a form reasonably acceptable to Transmission Provider issued by a financial institution acceptable to the Transmission Provider and possesses a credit rating of at least A3 by Moody's, A- by S&P, or A- by Fitch;
2. A payment (parent) guarantee issued by an investment rated parent company or other in pre-approved payment (parent) guarantee language;
3. An escrow trust account;
4. A surety/performance bond; or
5. A prepayment of at least ten days prior to transmission service and no interest will be paid thereon.

C. Amount of Required Security

A Transmission Customer required to provide security shall provide security in an acceptable form in an amount equal to the lesser of the amount of the total contract notional value or the notional value of anticipated transmission services for a rolling 60-day period.

3. CREDIT EVALUATION AND REEVALUATION

The creditworthiness of a Transmission Customer will be reevaluated annually, and may be reevaluated more frequently if the Transmission Provider has reasonable grounds there has been deterioration in the Transmission Customer's creditworthiness. The Transmission Provider may adjust a Transmission Customer's credit limit and/or any required security based on the results of such reevaluation.

The Transmission Provider shall notify the Transmission Customer when credit requirements are not met and additional security is required. The Transmission

Customer shall provide Transmission Provider with additional security in an acceptable form within 3 business days of notification by Transmission Provider that its credit requirements are not met or additional security is required.

4. DELINQUENCIES AND ADVERSE EVENTS

When the Transmission Customer's account becomes past due, the Transmission Provider will stop conducting any new business with the Transmission Customer until the matter is resolved. Upon notification of a Transmission Customer's bankruptcy, no new business will be conducted with the Transmission Customer and its credit limit will be reduced to zero. Upon emergence from bankruptcy, the Transmission Customer must be firmly reestablished in the marketplace as evidenced by its return to an investment grade credit status by S&P, Moody's, or Fitch or by successfully participating in the market for at least one year, before the Transmission Customer can reapply for credit under the regular procedures outlined in this Attachment L.

5. CREDIT DISPUTES

A Transmission Customer may request a written explanation of how the Transmission Provider applied the credit evaluation and security requirements of this Attachment L to the Transmission Customer. The Transmission Customer may contest any determination of credit limit or required security by submitting a written explanation of its reasons for disagreeing with such credit limit or security to the Transmission Provider. Within thirty (30) business days of receiving Transmission Customer's written explanation, the Transmission Provider will review and provide a written response to the Transmission Customer.

6. CONTACT

Transmission Customers with credit questions are directed to contact:

Tiffany He
(213) 367-4205
Tiffany.he@ladwp.com

ATTACHMENT M

Large Generator Interconnection Procedures

LOS ANGELES DEPARTMENT OF WATER AND POWER

LARGE GENERATOR

INTERCONNECTION PROCEDURES (LGIP)

including

LARGE GENERATOR

INTERCONNECTION AGREEMENT (LGIA)

Standard Large Generator
Interconnection Procedures (LGIP)
(Applicable to Generating Facilities that exceed 20 MW)

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Appendix 7 – Interconnection Procedure for a ~~Wind~~Non-Synchronous Generating ~~Plant or Solar Generating Plant~~Facility

Large Generator
Interconnection Procedures (LGIP)
(Applicable to Generating Facilities that exceed 20 MW)

Section 1. Definitions

In addition to other terms defined within this LGIP, the following terms, whether in the singular or plural, when used herein and in appendices attached hereto and initially capitalized, shall have the meanings specified below:

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC or its successor, as the Applicable Reliability Council, and the Balancing Authority Area of the Transmission System to which the Generating Facility is directly interconnected.

Balancing Authority shall mean the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.

Balancing Authority Area shall mean 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 shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of ~~this LGIP or an executed~~an LGIA.

Breaching Party shall mean a Party that is in Breach of the provisions of ~~this LGIP or any term or condition of an executed~~an LGIA.

Bureau of Land Management (BLM) shall mean the U.S. Department of the Interior, Bureau of Land Management, or its successor agency, which manages federal public lands.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Cluster shall mean a group of Interconnection Requests (one or more) that are studied together for the purpose of conducting the Cluster Study.

Cluster Area shall mean the areas of the Transmission Provider's Transmission System that are included together in a Cluster, as described further in Section 7.4 of this LGIP.

Cluster Request Window shall have the meaning set forth in Section 4.2.1 of this LGIP.

Cluster Re-Study shall mean a re-study of a Cluster Study conducted pursuant to Section 7.4 of this LGIP.

Cluster Re-Study Report shall mean the report issued followed completion of a Cluster Re-Study pursuant to Section 7.4 of this LGIP.

Cluster Re-Study Meeting shall mean the meeting held to discuss the results of a Cluster Re-Study pursuant to Section 7.4 of this LGIP.

Cluster Study shall mean an Interconnection Study evaluating one or more Interconnection Requests within a Cluster, as described in more detail in Section 7.4 of this LGIP.

Cluster Study Agreement shall mean the form of agreement contained in Appendix 3 to the Standard Large Interconnection Procedures for conducting the Cluster Study.

Cluster Study Report shall mean the report issued following completion of a Cluster Study pursuant to Section 7.4 of this LGIP.

Cluster Study Report Meeting shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7.4 of this LGIP.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, ~~for the purpose of conducting the Interconnection System Impact Study~~as described in more detail in Section 7.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Large Generator Interconnection Agreement.

~~**Common Facilities** shall mean those certain facilities described in Exhibit 1 of Appendix H to the Large Generator Interconnection Agreement.~~

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, ~~including any competitively sensitive, commercial or financial information,~~ which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

~~**Critical Energy Infrastructure Information or CEII** shall mean specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure that: (i) relates details about the production, generation, transportation, transmission, or distribution of energy; (ii) could be useful to a person in planning an attack on critical infrastructure; (iii) is exempt from mandatory disclosure under the Freedom of Information Act, 5 U.S.C. § 552; and (iv) does not simply give the general location of the critical infrastructure.~~

~~**Critical Infrastructure** shall mean existing and proposed systems and assets, whether physical or virtual, the incapacity or destruction of which would negatively affect security, economic security, public health or safety, or any combination of those matters.~~

Contingent Facilities shall mean 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 Re-Studies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Customer Engagement Window shall have the meaning set forth in Section 7.2 of this LGIP.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the LGIA~~ or the failure of Interconnection Customer to cure any deficiency under the provisions of this LGIP~~.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis~~, as set forth in Section 13.5 herein~~.

Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the ~~Transmission Service~~transmission service necessary to ~~affect~~effect Interconnection Customer's wholesale sale

of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Large Generator Interconnection Agreement becomes effective upon execution by the Parties.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, ~~reliability of,~~ or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities, ~~Common Facilities~~ or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that, Interconnection Customer is not obligated by the Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or non-firm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Financial Security shall mean any of the forms of collateral or security listed in Section 2.2 of the Creditworthiness Procedures included in Attachment L to this Tariff.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region. ~~For purposes of clarification, the term "Good Utility Practice" shall include compliance with Applicable Reliability Standards.~~

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer~~ or any Affiliate thereof~~, Transmission Provider, or any Affiliate thereof. In this context Transmission Provider does not include the City of Los Angeles or the Board of Water and Power Commissioners. Transmission Provider only includes the Department of Water and Power.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Informational Interconnection Study shall mean an analysis based on assumptions specified by Interconnection Customer in the Informational Interconnection Study Agreement and conducted pursuant to Section 6 of this LGIP.

Informational Interconnection Study Agreement shall mean the form of agreement contained in Appendix 2A to the Standard Large Generator Interconnection Procedures for conducting the Informational Interconnection Study.

Informational Interconnection Study Request shall mean an Interconnection Customer's request in the form of Appendix 2 to the Standard Large Generator Interconnection Procedures.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities ~~and, as applicable, Common Facilities,~~ to obtain back feed power.

Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System. For purposes of the Transmission Provider's Cluster Study process conducted pursuant to Section 7 of this LGIP, and except as modified by Section 3 of Attachment N of the Transmission Provider's Tariff, "Interconnection Customer" shall also mean any Small Generating Facility that is participating in a Cluster.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including

any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades. Interconnection Facilities may be shared by more than one Generating Facility in a Cluster.

Interconnection Facilities Study shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities, ~~Common Facilities,~~ and Network Upgrades as identified in the ~~Interconnection System Impact~~Cluster Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Large Generator Interconnection Procedures, ~~subject to~~in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System. For purposes of the Transmission Provider's Cluster Study process conducted pursuant to Section 7 of this LGIP, and except as modified by Section 1.3 of Attachment N of the Transmission Provider's Tariff, "Interconnection Request" shall also mean any interconnection request from a Small Generating Facility that is participating in a Cluster.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the

Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Service Level or **Level of Interconnection Service** shall mean the maximum amount of electrical output (MW) requested by the Interconnection customer to be injected at the Point of Interconnection.

Interconnection Study shall mean any of the following studies: the Informational Interconnection Study, the Cluster Study, the Surplus Interconnection Service System Impact Study, and the Interconnection Facilities Study described in this LGIP~~, but excludes any Optional Study~~.

~~**Interconnection System Impact Study** shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System and a non-binding estimated cost of interconnecting the Generating Facility. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on any Adverse System Impacts, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in this LGIP.~~

~~**Interconnection System Impact Study Agreement** shall mean the form of agreement contained in Appendix 3 of this LGIP for conducting the Interconnection System Impact Study.~~

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall ~~have the meaning ascribed in the Large Generator~~be a group made up of representatives fromInterconnection ~~Agreement~~Customers and the Transmission Provider to coordinate operating andtechnical considerations of Interconnection Service.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Large Generator Interconnection Agreement ("LGIA") shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff.

Large Generator Interconnection Procedures ("LGIP") shall mean these interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in the Transmission Provider's Tariff.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, ~~expert witness and consultant 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 Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date ~~or that cause a system impact.~~.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC shall mean the North American Electric Reliability Corporation or ~~the~~its successor ~~electric reliability~~ organization.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under ~~an applicable~~the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers. Network Resource Interconnection Service in and of itself does not convey ~~Transmission Service~~transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the

Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall have the meaning ascribed in Section 13.5 of this LGIP.

~~**Optional Interconnection Study** shall mean any sensitivity or other analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.~~

~~**Optional Interconnection Study Agreement** shall mean the form of agreement contained in Appendix 5 of this LGIP for conducting the Optional Interconnection Study.~~

Party or Parties shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Permissible Technological Advancement shall mean a change to the Generating Facilities of the Interconnection Customer's Interconnection Request that: (1) results in the inclusion of technologies that achieve cost and/or grid performance efficiencies; (2) results in electrical performance equal to or better than the electrical performance expected prior to the technology change; (3) would not trigger a Material Modification, as defined in this LGIP; and (4) would not cause any reliability concerns relative to short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability and response. Permissible technological advancements may include advancements to turbines, inverters, plant supervisory controls, or other technological advancements that may enhance a generating facility's ability to provide ancillary services, but do not include changes in generation technology or fuel type (including the energy source behind an inverter).

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Delivery shall have the meaning ascribed in the Tariff.

~~**Point of Interconnection** shall mean (i) prior to the execution of the LGIA, the point set forth in Attachment A to Appendix 3, the System Impact Study Agreement, where the proposed Interconnection Facilities are intended to connect to the Transmission Provider's Transmission System or (ii) upon execution of the LGIA,~~ **Point of Interconnection** shall mean the point, as

set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Point of Receipt shall have the meaning ascribed in the Tariff.

Preliminary Plan of Development ("PPOD") shall mean the plan required to be submitted to the BLM, if any, to obtain necessary permits or Right-of-Way grants as may be required for the construction of the Generating Facility and Interconnection Customer Interconnection Facilities, which are to be sited, all or partially, on BLM-managed lands.

Provisional Interconnection Service shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean 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 a valid Interconnection Request by the Transmission Provider. For purposes of this definition, Transmission Provider shall consider an Interconnection Request to be valid on the date~~ that ~~the~~ Interconnection Customer ~~has satisfied~~satisfies all of the requirements of ~~Section~~Sections 3~~.3.1 of this LGIP.~~, 4, and 7 to enter the Cluster Study Process.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under this LGIP or the LGIA, 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.

Readiness Milestone Options shall mean the options set forth in Section 3.4.1(v) of the LGIP.

Resource Plan shall mean any process authorized or required by Applicable Laws and Regulations for, inter alia, the selection of Generating Facilities.

Resource Solicitation Process shall mean any process authorized or required by Applicable Laws and Regulations for the acquisition of Network Resources.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing the proposed interconnection request, alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to ~~impact~~affect such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection~~, as further described in Section 3.3.4 of this LGIP~~.

Site Control shall mean 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 ~~reasonably demonstrating~~establishing: (1) ownership of, a leasehold interest in, or a right to develop a site ~~for the purpose of constructing~~of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold ~~site for such purpose~~interest in a site of sufficient size to construct and operate the Generating Facility; or (3) ~~an exclusivity or~~ any other ~~business relationship between~~documentation that clearly demonstrates the right of the Interconnection Customer ~~and the entity having the right to sell, lease~~to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. For purposes of lands managed by a governmental entity (such as BLM), a PPOD or equivalent government-issued documentation, shall be sufficient for demonstrating Site Control as to such government-managed land. Site Control for any co-located project is demonstrated by a contract or ~~grant Interconnection Customer the right to possess or occupy a site~~ other agreement demonstrating shared land use for ~~such purpose~~all co-located projects that meet the aforementioned provisions of this Site Control definition.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify ~~these upgrades in Appendix A to the Large Generator Interconnection Agreement~~them in Appendix A to the Large Generator Interconnection Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the

TransmissionProvider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

~~**Standards of Conduct** shall mean those standards adopted by the Transmission Provider that govern its transmission functions as well as communication of certain information.~~

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service established in a 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.

Surplus Interconnection Service System Impact Study shall mean an engineering study that evaluates the impact of a proposed request for Surplus Interconnection Service on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in these Large Generator Interconnection Procedures.

Surplus Interconnection Service System Impact Study Agreement shall mean the form of agreement contained in Appendix 5 of these Large Generator Interconnection Procedures for conducting a system impact study for purposes of evaluating a request for Surplus Interconnection Service pursuant to Section 3.3 of this LGIP.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff shall mean the Transmission Provider's Tariff ~~(also known as the Open Access Transmission Tariff or OATT)~~ through which open access ~~Transmission Service~~transmission service and Interconnection Service are offered, as amended or supplemented from time to time, or any successor tariff.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and~~, to the extent necessary,~~ may be a Party to the Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider shall mean the transmitting utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of ~~electric energy~~electricity in interstate commerce and provides ~~Transmission Service~~transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades. Transmission Provider's Interconnection Facilities may be shared by more than one Generating Facility in a given Cluster Study.

Transmission ~~Service~~ ~~shall mean those services provided to the Transmission Customer under the Tariff to move energy from a Point of Receipt to a Point of Delivery.~~

~~**Transmission**~~ **System** shall mean the ~~alternating current transmission~~ facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide ~~Transmission Service~~transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

~~**WECC** shall mean Western Electricity Coordinating Council or its successor.~~

Withdrawal Penalty shall have the meaning set forth in Section 3.7.1 of this LGIP.

Section 2. Scope and Application

2.1 Application of Large Generator Interconnection Procedures

Sections 2 through 13 ~~of this LGIP~~ apply to ~~the~~ processing ~~of~~ an Interconnection Request pertaining to a Large Generating Facility~~, **excepting** any and all Interconnection Requests to interconnect to High Voltage Direct Current (HVDC) transmission facilities owned, controlled or operated by Transmission Provider or Transmission Owner that are used to provide Transmission Service under~~. As provided in Section 3 of Attachment N the Tariff, ~~which such requests~~ Small Generating Facilities that are not eligible for the fast track or inverter process will be processed in a single study process with Large Generating Facilities. Additionally, Small Generating Facilities requesting Network Resource Interconnection Service shall be processed under ~~a separate and distinct HVDC LGIP/LGIA~~this LGIP. As provided for in Section 3 of Attachment N, interconnection requests for Small Generating Facilities may be studied together in Clusters with Interconnection Requests for Large Generating Facilities.

2.2 ~~Standardized Processing~~Comparability.

Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this LGIP. Transmission Provider will use the same Reasonable Efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Generating Facilities are owned by Transmission Provider, its subsidiaries or Affiliates or others.

2.3 Base Case Data

~~Subject to the Interconnection Customer executing a confidentiality or non-disclosure agreement prior to any disclosure and further subject to the confidentiality provisions in Section 13.1 of this LGIP,~~ Transmission Provider shall ~~provide information on the~~maintain base power flow, short circuit and stability databases, including all underlying assumptions, and ~~any~~ contingency list ~~upon request by Interconnection Customer which may include~~ 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 the Interconnection Customers, OASIS site users and password-protected website users sign a confidentiality agreement before the release of commercially sensitive information or ~~CEII; provided, however, that such information will not be available to Interconnection Customer prior to the Transmission Provider's completion of~~ Critical Energy Infrastructure Information in the ~~Interconnection Study report.~~Base Case data. Such databases and lists, hereinafter referred to as Base Cases, shall include all (~~i~~1) generation projects ~~identified by Queue Position only and (ii~~and (2) transmission projects ~~identified by Queue Position only~~, including merchant transmission projects that are proposed for the Transmission System for which a transmission expansion plan has been submitted and approved by the applicable authority.

2.4 No Applicability to Transmission Service

Nothing in this LGIP shall constitute a request for ~~Transmission Service~~transmission service or confer upon an Interconnection Customer any right to receive ~~Transmission Service. Transmission Provider's acknowledgement or acceptance of an Interconnection Request from Interconnection Customer bears no relationship to Interconnection Customer's access to or the availability of Transmission Service. To request Transmission Service, Interconnection Customer must submit a separate request for Transmission Service in accordance~~transmission service.

2.5 EIM Requirements.

The Interconnection Customer shall have a continuing duty to comply with ~~the~~ Attachment O of this Tariff, as applicable.

Section 3. Interconnection Requests and Informational Interconnection Study Requests

3.1 ~~General~~Interconnection Requests

An Interconnection Customer shall submit to Transmission Provider, during a Cluster Request Window, an Interconnection Request in the form of Appendix 1 to this LGIP and a refundable deposit of: (a) $75,000 for requests of less than 50 MW; (b) $150,000 for requests of 50 MW and greater, but less than 200 MW; or (c) $250,000 ~~("initial deposit") subject to the terms and conditions of this LGIP.~~ for requests of 200 MW and greater. Pursuant to Section 4.2.2, Transmission Provider shall apply the deposit toward ~~administrative and study costs associated with the~~a Cluster Study into which Interconnection ~~Request,~~Customer is admitted including ~~any administrative costs associated with the~~such Interconnection Customer's individual Facilities Study, and shall be used to process

Interconnection Customer's ~~withdrawal~~request. For Small Generating Facilities, the appropriate application fee or ~~default~~deposit shall be determined pursuant to Section 1.3 of Attachment N of the Tariff. Interconnection Customer shall submit a separate Interconnection Request for each site and may submit multiple Interconnection Requests for a single site. Interconnection Customer must submit a deposit with each Interconnection Request even when more than one request is submitted for a single site. ~~Any~~An Interconnection Request ~~which proposes~~ 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 the Scoping Meeting to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Interconnection Customer ~~shall~~will select the ~~designated~~definitive Point of Interconnection to be studied ~~prior to~~no later than the execution of the Cluster Study Agreement. For purposes of clustering Interconnection ~~System Impact Study Agreement~~Service requests, Transmission Provider may make reasonable changes to the requested Point of Interconnection to facilitate efficient interconnection of Interconnection Customers at common Points of Interconnection. Transmission Provider shall notify Interconnection Customers in writing of any intended changes to the requested Point of Interconnection 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 the 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 the Interconnection Customer. Interconnection Customers may be subject to additional control technologies as well as testing and validation of those technologies consistent with Article 6 of

the LGIA. The necessary control technologies and protection systems shall be established in Appendix C of that executed 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 Facility Study Agreement is executed.~~of five (5) Business Days after the initial Cluster Study Report Meeting held under Section 7.4(c). Interconnection Customer may then elect to proceed with Network Resource Interconnection Service or to proceed under a lower ~~level~~Level of ~~interconnection service~~Interconnection Service 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 ~~power flow,~~ 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 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, 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. The Transmission Provider may also study the Transmission System under non-peak load conditions. However, upon request by the Interconnection Customer, the Transmission Provider must explain in writing to the 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.

3.3.1 Surplus Interconnection Service Requests.

Surplus Interconnection Service requests may be made by the existing Interconnection Customer whose Generating Facility is already interconnected or one of its Affiliates. 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 or Cluster Study 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.

All notifications and requests for Surplus Interconnection Service shall be submitted in accordance with the Transmission Provider's Business Practice, posted on its OASIS, and shall be processed outside of the interconnection queue. In order to deem a request for Surplus Interconnection Service valid and complete, a deposit of $25,000 must be received by the Transmission Provider. After a request for Surplus

Interconnection Service has been deemed valid and complete by the Transmission Provider, the Transmission Provider will notify the Interconnection Customer and schedule the Scoping Meeting within five (5) Business Days.

3.3.2 Surplus Interconnection Service System Impact Study.

3.3.2.1 Within five (5) Business Days following the Scoping Meeting, Interconnection Customer shall specify for inclusion in the attachment to the Interconnection System Impact Study Agreement its requested Point(s) of Interconnection. Within five (5) Business Days following Transmission Provider's receipt of such Point(s) of Interconnection, Transmission Provider shall tender to Interconnection Customer the Surplus Interconnection Service System Impact Study Agreement in the form of Appendix 5 of this LGIP signed by Transmission Provider, which includes a good faith estimate of the estimated timeframe for completing the Surplus Interconnection Service System Impact Study. The Surplus Interconnection Service System Impact Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Surplus Interconnection Service System Impact Study.

3.3.2.2 Interconnection Customer shall execute the Surplus Interconnection Service System Impact Study Agreement and deliver the executed Surplus Interconnection Service System Impact Study Agreement to Transmission Provider no later than thirty (30) Calendar Days after its receipt.

3.3.2.3 As part of its Surplus Interconnection Service System Impact Study process, the Transmission Provider will evaluate the original interconnection system impact study, if any, or applicable Cluster Studies, to determine their suitability for use in the evaluation of the request for Surplus Interconnection Service. Inclusive of any Surplus Interconnection Service System Impact Study(ies) performed to evaluate the existing Interconnection Service and deemed suitable for use in the evaluation of the request 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 existing Interconnection Service was not studied under off-peak conditions or such study was not deemed suitable, off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. If an existing interconnection system impact study or Cluster Study is not available or deemed suitable 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 studies performed to evaluate a request for Surplus Interconnection Service will identify if any additional Interconnection Facilities and/or Network Upgrades are necessary. If any additional Network Upgrades are necessary, the Surplus Interconnection Request will be denied. Necessary control technologies will also be identified in the studies performed.

3.3.2.4 Transmission Provider shall use Reasonable Efforts to complete the Surplus Interconnection Service System Impact Study within ninety (90) Calendar Days after the receipt of the Surplus Interconnection Service System Impact Study Agreement or notification to proceed, study payment, and technical data.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Surplus Interconnection Service System Impact Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Surplus Interconnection Service System Impact Study. If Transmission Provider is unable to complete the Surplus Interconnection Service System Impact Study within the time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.

3.3.2.5 Within ten (10) Business Days of providing a Surplus Interconnection Service System Impact Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Surplus Interconnection Service System Impact Study, unless otherwise mutually agreed upon by the Parties.

3.3.3 Surplus Interconnection Service Agreement.

3.3.3.1 Within thirty (30) Calendar Days after delivery of the Surplus Interconnection Service System Impact Study report, Transmission Provider shall tender a draft Surplus Interconnection Service Agreement to the original Interconnection Customer and the Surplus Interconnection Service Customer. The draft Surplus Interconnection Service Agreement shall be executed and returned within thirty (30) Calendar Days.

3.3.3.2 Transmission Provider and Interconnection Customers shall negotiate concerning any disputed provisions of the appendices to the draft Surplus Interconnection Service Agreement for not more than sixty (60) Calendar Days after tender of the draft Surplus Interconnection Service Agreement. If any Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft Surplus Interconnection Service Agreement pursuant to Section 3.3.3.1 and initiate Dispute Resolution procedures pursuant to Section 13.5 of the LGIP. Within sixty (60) Calendar Days of tender of draft Surplus Interconnection Service Agreement and unless otherwise agreed by the Parties, if Interconnection Customer has not executed the Surplus Interconnection Service Agreement or initiated Dispute Resolution procedures pursuant to Section 13.5 of the LGIP, it shall be deemed to have withdrawn its Interconnection Request. Transmission Provider shall provide to Interconnection Customers a final Surplus Interconnection Service Agreement within fifteen (15) Business Days after the completion of the negotiation process.

3.4 Valid Interconnection Request

3.~~3~~4.1 Initiating an Interconnection Request

An Interconnection Customer wishing to join a Cluster shall submit its Interconnection Request to Transmission Provider within, and no later than close of the Cluster Request Window. To initiate an Interconnection Request, Interconnection Customer must submit all of the following: ~~(i) the initial~~

(i) applicable deposit ~~required~~amount, pursuant to Section 3.1~~,~~ ~~(ii)~~ ;

(ii) a completed application in the ~~forms~~form of Appendix 1 (including applicable technical information);

(iii) Site Control demonstration pursuant to Section 3.4.1(iii)(a) or (b) below;

a. Demonstration of actual Site Control. For demonstration of Site Control of Large Generating Facilities: Specifications for acceptable site size for the purposes of demonstrating Site Control are posted on Transmission Provider's OASIS website. Interconnection Customer may propose alternative specifications for site size to those posted on OASIS for Transmission Provider approval. In the event Transmission Provider and Interconnection Customer cannot reach agreement related to adequacy of site size, Transmission Provider will accept a Professional Engineer (licensed in the state of the Point of Interconnection) stamped site plan drawing that depicts the proposed generation arrangement and specifies the maximum facility output for that arrangement. Demonstration of Site Control for Small Generating Facilities shall be pursuant to Section 1.5 of Attachment N.

b. Posting of an additional deposit of $10,000 in lieu-of Site Control. Deposits paid pursuant to this Section 3.4.1(iii) shall be refunded to the Interconnection Customer upon Commercial Operation or upon withdrawal pursuant to Section 3.7, subject to applicable Withdrawal Penalties.

(iv) Generating Facility size (MW) (and requested Interconnection Service amount if the requested Interconnection Service is less than the Generating Facility Capacity);

(v) One of the following Readiness Milestone Options totaling the entire capacity of the Generating Facility (or requested

Interconnection Service amount if the requested Interconnection Service is less than the Generating Facility Capacity).

a. Executed term sheet (or comparable evidence) related to a contract for sale of (i) the constructed Generating Facility to a load-serving entity or to a commercial, industrial, or other large end-use customer, (ii) the Generating Facility's energy where the term of sale is not less than five (5) years, or (iii) the Generating Facility's ancillary services if the Generating Facility is an electric storage resource where the term of sale is not less than five (5) years;

b. Executed contract binding upon the parties for sale of (i) the constructed Generating Facility to a load-serving entity or to a commercial, industrial, or other large end-use customer, (ii) the Generating Facility's energy where the term of sale is not less than five (5) years, or (iii) the Generating Facility's ancillary services if the Generating Facility is an electric storage resource where the term of sale is not less than five (5) years;

c. Reasonable evidence that the Generating Facility has been selected in a Resource Plan or Resource Solicitation Process by or for a load-serving entity, is being developed by a load-serving entity, or is being developed for purposes of a sale to a commercial, industrial, or other large end-use customer;

~~a.~~d. A ~~to Appendix 1, and (iii) demonstration of Site Control or a posting of an additional deposit of $10,000. The initial deposit shall be applied toward any administrative costs and Interconnection Studies pursuant to the Interconnection Request. If Interconnection Customer demonstrates Site Control within fourteen (14) Calendar Days of submitting its Interconnection Request, the additional deposit shall be~~ refundable~~; otherwise, such additional deposit becomes~~

~~non-refundable.~~ deposit of $3,000 per MW of generating capacity proposed in the Interconnection Request; or

e. Site specific Purchase Order for generating equipment specific to the Interconnection Request, or statement signed by an officer or authorized agent of the Interconnection Customer attesting that the Generating Facility included is to be supplied with turbines with a manufacturer's blanket purchase agreement to which Interconnection Customer is a party. This blanket purchase agreement shall be provided to Transmission Provider.

(vi) A Point of Interconnection.

(vii) Whether the Interconnection Request shall be studied as a Network Resource Interconnection Service or an Energy Resource Interconnection Service, consistent with Section 3.2.

Interconnection Customer shall promptly inform Transmission Provider of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.1(iii) or its satisfaction of a Readiness Milestone Option as selected under Section 3.4.1(v) or Section 8.1, as applicable. Upon Transmission Provider determining separately that Interconnection Customer no longer satisfies Site Control or a Readiness Milestone Option, Transmission Provider shall give Interconnection Customer ten (10) Business Days to demonstrate satisfaction with the applicable requirement to Transmission Provider's satisfaction. Absent such demonstration, Transmission Provider will deem the subject Interconnection Request withdrawn.

The expected In-Service Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility shall be no more 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 In-Service Date may succeed the date ~~that~~ the Interconnection Request is received by Transmission Provider by a period up to ten (10) years or longer ~~but only in instances~~ where Interconnection Customer and Transmission Provider agree ~~in writing~~, such agreement not to be unreasonably withheld.

3.~~3~~4.2 Acknowledgment of Interconnection Request

Transmission Provider shall acknowledge receipt of the Interconnection Request within ~~ten (10~~five (5) Business Days of receipt of the request~~. Transmission Provider may or may not~~ and attach a copy of the received Interconnection Request to ~~its~~the acknowledgement ~~submitted to Interconnection Customer~~.

3.~~3~~4.3 Deficiencies in Interconnection Request

An Interconnection Request will not be considered to be a valid request until all items in Section 3.~~3~~4.1 have been received by Transmission Provider ~~and Transmission Provider has determined that such items meet the requisites for a valid request~~. If an Interconnection Request fails to meet the requirements set forth in Section 3.~~3~~4.1, Transmission Provider shall use Reasonable Efforts to notify Interconnection Customer ~~within ten (10) Business Days of receipt of~~as soon as practicable following 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 ~~and/or items~~ needed to constitute a valid request ~~within ten (10) Business Days after receipt of such notice. Failure by Interconnection Customer to comply with this Section 3.3.3 shall be treated as a withdrawal in accordance with Section 3.6.~~no later than the close of the Cluster Request Window. Notwithstanding any other provision in Transmission Provider□s Tariff, an Interconnection Request with any uncured deficiency at the time the Cluster Request Window closes will be deemed an invalid Interconnection Request. At any time, if Transmission Provider identifies issues with technical data provided by Interconnection Customer, Interconnection Customer and Transmission Provider shall work expeditiously and in good faith to remedy any data issues.

~~**3.3.4 Scoping Meeting**~~

~~Within twenty (20) Business Days after receipt of a valid Interconnection Request,~~ Transmission Provider shall ~~establish a date agreeable to Interconnection Customer for~~determine if the information contained in the Interconnection Request is sufficient to start the Cluster Study by the close of the Customer Engagement Window.

3.4.4 Scoping Meeting

During the Customer Engagement Window, Transmission Provider shall hold a Scoping Meeting~~, and such date shall be no later than thirty (30) Calendar Days from receipt of the~~ with all Interconnection Customers whose valid Interconnection Requests were received in that Cluster Request~~, unless otherwise mutually agreed upon by the Parties~~ Window. If requested by an Interconnection Customer, Transmission Provider shall also hold individual customer-specific Scoping Meetings, which must be requested no later than fifteen (15) Business Days after the close of the Cluster Request Window.

~~Subject to the confidentiality provisions set forth in Section 13.1, the~~The purpose of the Scoping Meeting shall be to discuss alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to discuss the Cluster Area materials posted to OASIS pursuant to Section 7.4, and to analyze such information ~~and to determine the potential feasible Points of Interconnection.~~ . Transmission Provider and Interconnection Customer shall 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, (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting, (vi) for wind or solar facilities, generation profile data, and (vii) if the Large Generating Facility is or, as a hybrid, includes solar photovoltaic technology, a completed Attachment A to Appendix 7. Transmission Provider and Interconnection Customer 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. ~~On the basis of the meeting, Interconnection Customer shall designate its Point of Interconnection pursuant to Section~~

~~_, and one or more available alternative Point(s) of Interconnection which will be studied pursuant to Section and only if a substitution of the designated Point of Interconnection is required.~~ The duration of the meeting shall be sufficient to accomplish its purpose.

3.4~~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 ~~and Commercial Operation 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 (combined cycle, base load or combustion turbine and fuel type); 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 or initiates Dispute Resolution pursuant to Section 13.5. Before holding a Scoping Meeting with any Affiliate, Transmission Provider shall post on OASIS an advance notice of its intent to do so. Transmission Provider ~~also~~ shall post to its OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports shall be posted to Transmission Provider's OASIS site subsequent to the meeting between Interconnection Customer and Transmission Provider ~~shall further~~to discuss the applicable study results. Transmission Provider shall also post any known deviations in the Large Generating Facility's In-Service Date.

~~3.5~~3.5.2 Requirement to Post Interconnection Study Metrics

Transmission Provider will maintain on its OASIS or its website summary statistics related to processing Interconnection Studies pursuant to Interconnection Requests, updated quarterly. If Transmission Provider

posts this information on its website, a link to the information must be provided on Transmission Provider's OASIS site. For each calendar quarter, Transmission Providers must calculate and post the information detailed in Sections 3.5.2.1 through 3.5.2.3.

3.5.2.1 Interconnection Cluster Study Processing Time.

(A) Number of Interconnection Requests that had Cluster Studies completed within Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Cluster Studies completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than one hundred fifty (150) Calendar Days after commencement of the Cluster Study,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Cluster Studies one hundred fifty (150) Calendar Days after commencement of the Cluster Study,

(D) Mean time (in days), Cluster Studies completed within Transmission Provider's coordinated region during the reporting quarter, from the commencement of the Cluster Study to the date when Transmission Provider provided the completed Cluster Study to the Interconnection Customer,

(E) Percentage of Cluster Studies exceeding one hundred fifty (150) Calendar Days to complete this reporting quarter, calculated as the sum of 3.5.2.1(B) plus 3.5.2.1(C) divided by the sum of 3.5.2.1(A) plus 3.5.2.1(C)).

3.5.2.2 Interconnection Facilities Studies Processing Time.

(A) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within

Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than (study duration depends on Interconnection Customer's selection on Facilities Study Agreement) after receipt by Transmission Provider of the Interconnection Customer's executed Interconnection Facilities Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Service requests with ongoing incomplete Interconnection Facilities Studies where such Interconnection Requests had executed Interconnection Facilities Studies Agreement received by Transmission Provider more than (study duration depends on Interconnection Customer's selection on Facilities Study Agreement) before the reporting quarter end,

(D) Mean time (in days), for Interconnection Facilities Studies completed within Transmission Provider's coordinated region during the reporting quarter, calculated from the date when Transmission Provider received the executed Interconnection Facilities Study Agreement to the date when Transmission Provider provided the completed Interconnection Facilities Study to the Interconnection Customer,

(E) Percentage of delayed Interconnection Facilities Studies this reporting quarter, calculated as the sum of 3.5.2.2(B) plus 3.5.2.2(C) divided by the sum of 3.5.2.2(A) plus 3.5.2.2(C)).

3.5.2.3 Interconnection Service Requests Withdrawn from Interconnection Queue.

(A) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter,

(B) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of any interconnection studies or execution of any interconnection study agreements,

(C) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of a Cluster Study,

(D) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of an Interconnection Facilities Study,

(E) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue after execution of a generator interconnection agreement,

(F) Mean time (in days), for all withdrawn Interconnection Requests, from the date when the request was determined to be valid to when Transmission Provider received the request to withdraw from the queue.

3.5.3 Transmission Provider is required to post on OASIS or its website the measures in paragraph 3.5.2.1(A) through paragraph 3.5.2.3(F) for each calendar quarter within 30 days of the end of the calendar quarter. Transmission Provider will keep the quarterly measures posted on OASIS or its website for three calendar years with the first required report to be in the first quarter of [___]. If Transmission Provider retains this information on its website, a link to the information must be provided on Transmission Provider's OASIS site.

3.5.4 In the event that any of the values calculated in paragraphs 3.5.2.1(E) or 3.5.2.2(E) exceeds 25 percent for two consecutive calendar quarters, Transmission Provider will have to comply with the measures below for the next four consecutive calendar quarters and must continue reporting this information until Transmission Provider reports four consecutive calendar quarters without the values calculated in 3.5.2.1(E) or 3.5.2.2(E) exceeding 25 percent for two consecutive calendar quarters:

(i) Transmission Provider must submit a report to the Commission describing the reason for each study or group of clustered studies pursuant to an Interconnection Request that exceeded its deadline (i.e., 150, 90 or 180 days) for completion (excluding any allowance for Reasonable Efforts). Transmission Provider must describe the reasons for each study delay and any steps taken to remedy these specific issues and, if applicable, prevent such delays in the future. The report must be filed at the Commission within 45 days of the end of the calendar quarter.

(ii) Transmission Provider shall aggregate the total number of employee-hours and third party consultant hours expended towards interconnection studies within its coordinated region that quarter and post on OASIS or its website. If Transmission Provider posts this information on its website, a link to the information must be provided on Transmission Provider's OASIS site. This information is to be posted within 30 days of the end of the calendar quarter.

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 and, if possible, include those results (if available) in its applicable Interconnection Study ~~report~~ within the time frame specified in this LGIP. Transmission Provider will include such Affected System Operators in all meetings held with Interconnection Customer as required by this LGIP. Interconnection Customer will cooperate with Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A transmission provider which may be an Affected System shall cooperate with Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems. It is the responsibility of the Affected System

Owner to 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 (i) complete any interconnection studies and (ii) construct any necessary Interconnection Facilities and Network Upgrades needed to reliably interconnect at the requested service level.

3.~~6~~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 action 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~~.~~, including any placement in a particular Cluster. If an Interconnection Customer ~~timely~~ disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, Interconnection Customer's Interconnection Request is eliminated from the queue ~~if and~~ until such time that the outcome of ~~the~~ Dispute Resolution would restore its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall ~~be responsible~~pay to Transmission Provider ~~for~~ all costs that Transmission Provider prudently incurs with respect to that Interconnection Request ~~and such costs shall be deducted from Interconnection Customer's initial deposit or, alternatively, if the remaining balance of the initial deposit is insufficient within ten (10) Calendar Days from the date of its~~ prior to Transmission Provider's receipt of notice described above. Interconnection Customer must pay ~~or must be deemed to have paid~~ all monies due to Transmission Provider before it is allowed to obtain any Interconnection Study data~~, report~~ or results.

In the case of a withdrawal, Transmission Provider shall:

(i) update ~~the~~ OASIS as appropriate, including any Queue Position ~~posting and~~ changes;

(ii) impose the applicable Withdrawal Penalty described in Section 3.7.1, if any; and

(iii) issue any refund to Interconnection Customer ~~any portion of Interconnection Customer's initial deposit or study payments that exceed the costs that Transmission Provider has incurred in accordance with Section 3.1.~~ pursuant to Section 13.3.2.

In the event of such withdrawal, Transmission Provider, subject to the confidentiality provisions of Section 13.1, shall provide, at Interconnection ~~Customer's~~Customer's request, all information that Transmission Provider developed for any completed study conducted up to the date of withdrawal of the Interconnection Request ~~upon the conditions set forth in this Section 3.6~~.

3.7.1 Withdrawal Penalty. Except as provided in Attachment M-1 of Transmission Provider's Tariff, an Interconnection Customer shall be subject to a penalty ("Withdrawal Penalty") if it withdraws its Interconnection Request or the Generating Facility does not otherwise reach Commercial Operation unless (1) the withdrawal does not negatively affect the timing or cost of other projects within the same Cluster as determined by Transmission Provider; (2) the Interconnection Customer withdraws after receiving the most recent Cluster Study Report and the costs assigned to the Interconnection Request identified in that report have increased by more than twenty-five percent (25%) compared to costs identified in the previous Cluster Study Report; (3) the Interconnection Customer withdraws after receiving the individual Facilities Study report and the costs assigned to the Interconnection Request identified in that report have increased by more than 100 percent compared to costs identified in the most recent Cluster Study Report. For the avoidance of doubt, Small Generating Facilities participating in the Cluster Study process pursuant to Section 7 shall not be subject to Withdrawal Penalties.

3.7.1.1 Calculation of the Withdrawal Penalty. If the withdrawing Interconnection Customer has demonstrated any of the Readiness Milestone Options in Sections 3.4.1(v)(a) – (c) or 3.4.1(v)(e), and is withdrawing prior to executing an LGIA, the Interconnection Customer shall be charged one (1) times its actual allocated cost of all studies performed up until that point.

If the withdrawing Interconnection Customer only demonstrated the Readiness Milestone Option in Section 3.4.1(v)(d) and is withdrawing prior to executing an LGIA, that Interconnection Customer's Withdrawal Penalty shall be as follows:

(a) If Interconnection Customer withdraws either (i) following commencement of the Cluster Study and before receipt of a Cluster Study Report, or (ii) after receipt of a Cluster Study Report, the Interconnection Customer shall be charged two (2) times of its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point, regardless of any previous Withdrawal Penalty revenues received. This amount shall be capped at one (1) million dollars.

(b) If Interconnection Customer withdraws after receipt of any applicable restudy reports issued pursuant to Section 7.4, the Interconnection Customer shall be charged three (3) times of its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point, regardless of any previous Withdrawal Penalty revenues received. This amount shall be capped at one and one half (1.5) million dollars.

(c) If Interconnection Customer withdraws after receipt of the individual Facility Study report issued pursuant to Section 8, the Interconnection Customer shall be charged five (5) times of its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point, regardless of any previous Withdrawal Penalty revenues received. This amount shall be capped at two (2) million dollars.

The Withdrawal Penalty for any Interconnection Customer that, before achieving Commercial Operation, withdraws after executing an LGIA shall be nine (9) times of its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point, regardless of any previous Withdrawal

Penalty revenues received. In the event that the Interconnection Customer suspends its interconnection agreement, the Interconnection Customer shall be obligated to pay for costs associated with any studies or restudies required as a result of the suspension of the interconnection agreement, including any restudies associated with any affected lower-queued customers.

3.7.1.2 Distribution of the Withdrawal Penalty.
Any Withdrawal Penalty revenues shall be used to fund generation interconnection studies, including individual Interconnection Facility Studies. Withdrawal Penalty revenues shall first be applied, in the form of a bill credit, to not-yet-invoiced study costs for other Interconnection Customers in the same Cluster, and to the extent that such studies are fully credited, shall be applied to study costs of future Clusters in queue order. Withdrawn Interconnection Customers shall not receive a bill credit associated with Withdrawal Penalty revenues. Distribution of Withdrawal Penalty revenues to a specific study shall not exceed the total actual study costs. Allocation of Withdrawal Penalty revenues within a Cluster to a specific Interconnection Customer shall be (1) fifty percent (50%) on a per capita basis based on number of Interconnection Requests in the applicable Cluster; and (2) fifty percent (50%) to Interconnection Customers on a pro-rata basis based on requested megawatts included in the applicable Cluster. Distribution of Withdrawal Penalty revenue associated with Section 3.7.1.1(c) shall not be distributed to the remaining Interconnection Customers in that Cluster until all Interconnection Customers in that Cluster have reached Commercial Operation and thereafter shall be distributed as described above. Transmission Provider shall not change the distribution of Withdrawal Penalty revenue without authorization by the Commission. Transmission Provider shall post the Withdrawal Penalty balance on its OASIS site.

3.8 Identification of Contingent Facilities.

Transmission Provider shall post in this section a method for identifying the Contingent Facilities to be provided to Interconnection Customer at the conclusion of the Cluster Study and included in Interconnection Customer's Large Generator Interconnection Agreement. The method shall be sufficiently

transparent to determine why a specific Contingent Facility was identified and how it relates to the Interconnection Request. Transmission Provider shall also provide, upon request of the Interconnection Customer, the estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time of each identified Contingent Facility when this information is readily available and not commercially sensitive.

As part of the Cluster Study, the Transmission Provider shall identify, Contingent Facilities using the following methods:

(1) Review all additions, modifications, and upgrades to the Transmission Provider's Transmission System that are part of the Transmission Provider's transmission expansion plan, and facilities identified as Network Upgrades through the Interconnection System Impact Studies for higher queued Interconnection Requests that are not yet in service. Contingent Facilities shall be identified from this list of facilities that meet the following criteria:

a. Power Transfer Distribution Factor or Outage Transfer Distribution Factor ≥5% OR;
b. MVA impact (Power Transfer Distribution Factor or Outage Transfer Distribution Factor multiplied by generator output of the Interconnection Request) ≥5MVA, OR;
c. MVA impact (Power Transfer Distribution Factor or Outage Transfer Distribution Factor multiplied by generator output of the Interconnection Request) ≥1% of the facility rating.

(2) Coordination with applicable Affected System parties to determine what Contingent Facilities have been identified through Affected System studies based on their respective criteria.

The Contingent Facilities identified for a given Interconnection Request are the total of all facilities through each of the foregoing methods. The Interconnection Customer will be provided a list of all Contingent Facilities identified at the conclusion of the Cluster Study. This list of Contingent Facilities will also be included in the Interconnection Customer's LGIA. The Transmission Provider shall also provide, upon request of the Interconnection Customer, the estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time of each identified Contingent Facility when this information is readily available and not commercially sensitive.

3.9 Informational Interconnection Study Requests.

Interconnection Customers evaluating different options (such as different sizes, sites, or voltages) are encouraged but not required to use the Informational Interconnection Study Process in Section 6 before entering the Cluster Study process.

Section 4. Queue Position

4.1 General

Once an Interconnection Customer has submitted a valid Interconnection Request pursuant to Section 3.4, such Interconnection Request shall be admitted into Transmission Provider's queue for further processing pursuant to the following procedures contained in this Section 4.

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 ~~the valid Interconnection Request; provided that, if the sole reason an Interconnection Request is not valid is the lack of required information on the application form, and Interconnection Customer provides such information in accordance with Section 3.3.3, then Transmission Provider shall assign Interconnection Customer a Queue Position based on the date the application form was originally filed.~~ all items required pursuant to the provisions of Section 3.4. There is no queue for Informational Interconnection Studies.

~~Any change in the Point of Interconnection shall result in a lowering of~~

4.1.2 Higher Queue Position ~~if it is deemed a Material Modification under Section 4.4.3.~~

~~The~~. A higher Queue Position ~~of each Interconnection Request will be used~~assigned to ~~determine the order of performing the Interconnection Studies and determination of cost responsibility for the facilities necessary to accommodate the Interconnection Request. A higher queued~~an Interconnection Request is one that has been placed "earlier" in the queue in relation to another Interconnection Request that is ~~lower queued~~assigned a lower Queue Position. All requests studied in a single Cluster shall be considered equally queued but Clusters initiated earlier in time shall be considered to have a higher Queue Position than Clusters initiated later. The Queue Position of an Interconnection

Request shall have no bearing on the allocation of the cost of the common upgrades identified in the applicable Cluster Study (such costs will be allocated among Interconnection Requests in accordance with Section 4.2.3). Moving a Point of Interconnection shall result in a loss of Queue Position if it is deemed a Material Modification under Section 4.4.3.

~~Transmission Provider may allocate the cost of the common upgrades for clustered Interconnection Requests without regard to Queue Position.~~

4.2 ~~Clustering~~

~~At Transmission Provider's option, Interconnection Requests may be studied serially or in clusters for the purpose of the Interconnection System Impact~~General Study~~.~~ Process

~~Clustering shall be implemented on the basis of Queue Position. If Transmission Provider elects to study Interconnection Requests using Clustering, all Interconnection Requests received within a period not to exceed one hundred and eighty (180) Calendar Days, hereinafter referred to as the "Queue Cluster Window" shall be studied together without regard to the nature of the underlying Interconnection Service, whether Energy Resource Interconnection Service or Network Resource Interconnection Service. The deadline for completing all Interconnection System Impact Studies for which an Interconnection System Impact Study Agreement has been executed during a Queue Cluster Window shall be in accordance with Section 7.4, for all Interconnection Requests assigned to the same Queue Cluster Window. Transmission Provider may study an Interconnection Request separately to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Large Generating Facility.~~

~~Clustering Interconnection System Impact Studies~~Cluster Studies performed within the Interconnection 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.

~~The Queue~~ **4.2.1 Cluster ~~Window~~Request Windows.**

Transmission Provider shall ~~have a fixed time interval~~accept Interconnection Requests during a forty-five (45) Calendar Day period, hereinafter referred to as the "Cluster Request Window." The initial Cluster Request Window shall open for Interconnection Requests beginning April 1 following commencement of the transition process set out in Attachment M-1 to this Tariff and successive Cluster Request Windows shall open annually every April 1 thereafter.

4.2.2 Pre-Study Cost and Study Cost Allocation.

Transmission Provider shall determine each Interconnection Customer's share of the costs of a Cluster Study by allocating: (1) fifty percent (50%) of the applicable study costs to Interconnection Customers on a per capita basis based on ~~fixed annual opening and closing dates.~~ 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 requested megawatts included in the applicable Cluster. For example, the cost of a Cluster Study consisting of a 100 MW request and a 900 MW request would be allocated 30% to the 100 MW request and 70% to the 900 MW request. Costs incurred by Transmission Provider in preparation for the
Cluster Study but before commencement of Cluster Study shall be similarly calculated and allocated.

Any ~~changes to the established Queue Cluster Window interval and opening or closing dates shall be announced~~refunds of deposits paid in excess of Interconnection Customer costs allocated pursuant to this Section 4.2.2 shall be issued in accordance with ~~a posting on~~ Section 13.3.

4.2.3 Transmission Provider's ~~OASIS beginning~~ Interconnection Facilities and Network Upgrade Cost Allocation.

Notwithstanding Section 3.1, for Transmission Provider's Interconnection Facilities and Network Upgrades identified in Cluster Studies, Transmission Provider shall calculate each Interconnection Customer's share of costs in the manner set forth below. If a Cluster Study includes one or more Cluster Areas, such costs shall be calculated and allocated among Interconnection Customers within the same Cluster Area. If the same Network Upgrade is identified in the study of more than one Cluster Area, such Network Upgrade will be allocated to Interconnection Customers in all affected Cluster Areas in the proportional

manner provided in Section 4.2.3(b). Interconnection Customer shall be responsible for funding the costs of any facilities identified by Transmission Provider in such Interconnection Customer's individual Facilities Study report.

a) Station equipment Network Upgrades, including all switching stations, shall be allocated based on the number of Generating Facilities interconnecting at ~~least one hundred and eighty (180) Calendar Days in advance of the change and continuing thereafter~~an individual station on a per capita basis (i.e. on a per Interconnection Request basis). If multiple Interconnection Customers are connecting to the Transmission Provider's System through ~~the end date of the first Queue Cluster Window~~a single Interconnection Customer's Interconnection Facility (i.e. sharing the Interconnection Customer's Interconnection Facility connecting to the Transmission Provider's Interconnection Facility(ies)), those Interconnection Customers shall be considered one Interconnection Customer for the per capita calculation described in the preceding sentence. Shared Transmission Provider's Interconnection Facilities shall be allocated based on the number of Generating Facilities sharing that ~~is to be modified~~Transmission Provider's Interconnection Facility on a per capita basis.

b) The funding responsibility for Network Upgrades other than those identified in Section 4.2.3(a) shall be as follows: Interconnection Customers within a Cluster Study that have requested Energy Resource Interconnection Service shall bear their allocable share of the cost of Network Upgrades necessary to provide such service. Interconnection Customers within a Cluster Study that have requested Network Resource Interconnection Service shall bear their allocable share of the cost of Network Upgrades necessary to provide such service. Such allocation shall be based on the proportional capacity of each individual Generating Facility in the Cluster Studies requiring such Network Upgrades in accordance with the iterative process provided in Section 7.3.

c) Costs of Transmission Provider's Interconnection Facilities are directly assigned to the Interconnection Customer(s) using such facilities.

~~a)~~d) Notwithstanding any other provision of this Section 4.2.3, no Interconnection Customer shall be responsible for any Network Upgrade costs identified pursuant to this Section if such Interconnection

Customer's Interconnection Request individually represents one (1) percent or less of the total requested megawatts included in the applicable Cluster.

4.3 Transferability of Queue Position

~~A Queue Position can be transferred only once. Such transfer is valid only if: (i) the entity assuming the Queue Position from the original~~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~~; (ii)~~ and the Point of Interconnection does not change~~; (iii) no Material~~ .

4.4 Modifications~~ are requested; and (iv) such entity acknowledges in writing that this LGIP controls, it is bound by all terms and conditions of any agreement executed between Transmission Provider and original Interconnection Customer, and the interconnection request remains subject to all study results previously issued by or on behalf of Transmission Provider.~~

~~Transmission Provider will not treat any corporate restructure, merger or acquisition as a transfer of the Interconnection Customer's Queue Position; provided that, Interconnection Customer provides sufficient proof to the Transmission Provider of such corporate restructure, merger or acquisition. If the Interconnection Customer fails to validate its corporate restructure, merger or acquisition within sixty (60) Calendar Days of the Transmission Provider's request for such proof, the change in entity will be treated as a transfer subject to the requirements of this Section 4.3.~~

~~**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 ~~permitted within the scope of~~in accordance with Sections 4.4.1, 4.4.2 ~~or~~, 4.4.5, or

4.4.6, or are determined ~~by Transmission Provider~~ not to be Material Modifications pursuant to Section 4.4.3.

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~~ Subject to the forgoing sentence, and provided, however, they do not result in a Material Modification, to the extent the identified changes are acceptable to Transmission Provider and Interconnection Customer and potentially impacted Interconnection Customers in the same Cluster, such acceptance not to be unreasonably withheld, Transmission Provider shall modify the Point of Interconnection and/or configuration in accordance with such changes and proceed with any re-studies necessary to do so in accordance with Section 7.~~6 and Section 8.5~~5(f) as applicable and Interconnection Customer shall retain its Queue Position.

4.4.1 Prior to ~~**Interconnection System Impact Study Agreement Prior to**~~ the return of the executed ~~**Interconnection System Impact**~~Cluster Study Agreement to Transmission Provider, modifications permitted under this Section shall include specifically: (a) a decrease of up to 60 percent 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) 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 ~~**to**~~in the ~~**end of the queue**~~next Cluster Study Window for the purposes of cost allocation and study analysis.

4.4.2 Prior to ~~**Interconnection Facilities Study Agreement Prior to**~~ the return of the executed Interconnection ~~**Facilities**~~Facility Study Agreement to Transmission Provider, the modifications permitted under this Section shall include specifically: (a) additional 15 percent decrease of electrical output ~~**(MW), and**~~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 specifies a separate technological change procedure including the requisite information and process that will be followed to assess whether the Interconnection Customer's proposed technological advancement under Section 4.4.2(c) is a Material Modification. Section 1 contains a definition of Permissible Technological Advancement.

4.4.3 ~~**Material Modifications**~~

Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.2, and 4.4.~~5~~6, Interconnection Customer may first request that Transmission Provider evaluate whether such modification is a Material Modification. 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. Any change to the Point of Interconnection, except those ~~**expressly**~~ deemed ~~**permissible**~~acceptable under Sections ~~**4.4, 6**~~3.1, ~~**and 7.2**~~4.4.1, 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 ~~**in accordance with Section 4.4.3.1**~~.

4.4.~~3.1 Withdrawal or New Interconnection Request~~

~~Any and all Material Modifications to an existing Interconnection Request shall require a new Interconnection Request.~~

~~Interconnection Customer will be required to submit a new request which incorporates the Material Modification and satisfies the requirements of Section 3. If Interconnection Customer fails to withdraw the proposed modification that results in a Material Modification within thirty (30) Calendar Days of Transmission Provider's notification, then the provisions of Section 3.6 shall be invoked.~~

4 ~~.4.4 Studies for Permitted Modifications~~

Upon receipt of Interconnection Customer's request for ~~any~~ modification ~~expressly~~ permitted under this Section 4.4, Transmission Provider shall commence and perform any necessary additional studies as soon as practicable, ~~which~~but in no event shall Transmission Provider ~~will make Reasonable Efforts to~~ commence such studies ~~no~~ later than 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.

4.4.5 ~~Extension of Commercial Operation Date~~

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. For purposes of this Section, the Commercial Operation Date reflected in the initial Interconnection Request shall be used. Such cumulative extensions are inclusive of extensions requested after execution of the LGIA by Interconnection Customer.

4.4.6 ~~No Advancement~~ Technological Change Procedures

Prior to the return of ~~Commercial Operation Date~~the executed Facilities Study Agreement to the Transmission Provider, the Interconnection Customer may submit a technological advancement request to the Transmission Provider. Permissible Technological Advancements may include advancements to turbines, inverters, plant supervisory controls, or other technological advancements that may enhance a generating facility's ability to provide ancillary services, but do not include changes in generation technological or fuel type (include the energy source behind an inverter). Any changes to electrical output (MW) must adhere to LGIP Sections 4.4.1 and 4.4.2.

~~Under no circumstances will the Transmission Provider permit~~
In order to have a completed technological advancement request, the Interconnection Customer ~~to change the Commercial Operation Date to a date that is earlier in time than the date specified in~~ shall submit:

(1) A written technological advancement request, specifying the change in technological the Interconnection ~~Request application.~~Customer seeks;

~~**4.5 Denial of Interconnection Request for Adverse System Impact**~~

(2) Analysis that demonstrates how the incorporation of the proposed technological advancement would (i) result in electrical performance that is equal to or better than the electrical performance expected prior to the technological change, and (ii) not cause any reliability concerns;

(3) A revised Appendix 1 to LGIP Interconnection Request for a Large Generating Facility with revised technical data, including modeling data, associated with the technological advancement being requested, and any other data deemed necessary by the Transmission Provider ~~reserves~~to determine if the ~~right to deny~~technological advancement request is a Material Modification; and

(4) Any required deposit.

If the difference between the Initial Deposit submitted as per Section 3.4.1, less any part of that Deposit deemed nonrefundable as per Section 3.4.1, is $10,000 or greater, the Interconnection ~~Request and release a Queue Position in the unique circumstance where an~~Customer will not be required to tender a deposit for additional studies to evaluate the technological advancement request. If the difference between the Initial Deposit submitted as per Section 3.4.1, less any part of that Deposit deemed nonrefundable as per Section 3.4.1, is less than $10,000, the Interconnection Customer shall tender a deposit to the amount of $10,000 to the Transmission Provider to evaluate the technological advancement request. The Obligation of Study ~~determines that~~ Costs shall be in accordance with LGIP Section 13.3.

Upon receipt by the Transmission Provider of a completed technological advancement request from the Interconnection ~~will create an Adverse System Impact on facilities or systems for which no substitute or alternative Point(s) of~~ Customer, the Transmission Provider will evaluate the technological advancement request to determine whether the technological advancement request is a Permissible Technological Advancement or if it necessitates the performance of additional analyses and/or studies. If the technological advancement request has no effect on electrical parameters or performance, the technological advancement request will not be considered a Material Modification and will be deemed a Permissible Technological Advancement.

If the Transmission Provider determines that additional analyses and/or studies are required, Transmission Provider's studies may include steady-state, reactive power, short circuit, stability analysis and any other appropriate studies that the Transmission Provider deems necessary based on the Transmission Provider's engineering judgment. These additional studies and/or analyses will determine whether the technological advancements result in electrical performance that is equal to or better than the electrical performance expected prior to the technological advancement request and be deemed a Permissible Technological Advancement, or if the technological advancement is deemed a Material Modification.

If the Transmission Provider determines that the technological advancement request results in a Material Modification, the Interconnection ~~or any proposed addition, modification or upgrade adequately resolves the Adverse System Impact.~~Customer will be so notified and an explanation will be provided. The Transmission Provider shall determine whether or not a technological advancement request is a Material Modification within thirty (30) Calendar Days after the receipt of the initial completed technological advancement request, unless otherwise agreed upon by the Transmission Provider and the Interconnection Customer.

~~**Section 5. Procedures for Interconnection Requests Submitted Prior to Effective Date of Large Generator Interconnection Procedures**~~

~~**5.1 Queue Position for Pending Requests**~~

~~**5.1.1**~~ ~~Any~~ If the technological advancement request is deemed a Material Modification, the Interconnection Customer ~~assigned a Queue Position prior to the effective date of this LGIP shall retain that Queue Position.~~

~~**5.1.1.1** If any Interconnection Study Agreement has not been executed as of the effective date of this LGIP, then such relevant Interconnection Study, and any subsequent Interconnection Studies, shall be processed in accordance~~may either proceed with ~~this LGIP.~~

~~**5.1.1.2** If an Interconnection Study Agreement has been executed prior to~~ the ~~effective date of this LGIP, such Interconnection Study shall be completed in accordance with the terms of such agreement. With respect to any remaining studies for~~previously provided data, or submit a new application, which ~~an Interconnection Customer has not signed an Interconnection Study Agreement prior to the effective date of this LGIP, Interconnection Customer's Interconnection Request and all future Interconnection Studies shall be processed and performed pursuant to the terms and conditions of this LGIP~~will receive a new queue position.

~~**5.1.1.3** Within ninety (90) Calendar Days of the date that this LGIP takes effect, all Interconnection Customers with a valid Interconnection Request preceding the effective date of this LGIP shall submit to Transmission Provider the initial deposit of $250,000 required in Section 3.1 of this LGIP~~ less ~~any deposit and costs invoiced by Transmission Provider under the terms of the former LGIP and any former or pending Interconnection Study Agreement executed by the Parties.~~

Section 5. New Transmission Provider

5.1 Reserved.

5.2 New Transmission Provider

If Transmission Provider transfers control of its Transmission System~~, in whole or in part,~~ to a successor Transmission Provider during the period when an Interconnection Request is pending ~~and affected by such transfer~~, the original Transmission Provider shall transfer to the successor Transmission Provider any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. ~~Any remaining~~ Any difference between such net amount and the deposit or payment required by this LGIP shall be ~~assigned~~paid by or refunded to the ~~successor Transmission Provider~~Interconnection Customer, as appropriate. The original Transmission Provider shall coordinate with the successor Transmission Provider to complete any Interconnection Study, as appropriate, that the original Transmission Provider has begun but has not completed. If ~~the original~~ Transmission Provider has tendered a draft LGIA to Interconnection Customer but Interconnection Customer has ~~neither~~not either executed the LGIA nor initiated Dispute Resolution pursuant to Section 13.5, Interconnection Customer must complete negotiations with the successor Transmission Provider ~~unless mutually agreed otherwise~~.

~~**Section 6. Reserved**~~

~~**Section 7.**~~**Section 6. Informational Interconnection ~~System Impact~~ Study**

~~**7**~~**6.1 Informational Interconnection ~~System Impact~~ Study ~~Agreement~~Request**

~~Simultaneously with the acknowledgement of a valid~~ Interconnection ~~Request, Transmission Provider shall provide to~~ Customers may not submit requests for Informational Interconnection Studies until after the Transition Readiness Deadline, as defined in Attachment M-1. Thereafter, at any time prior to submission of an Interconnection Request, an Interconnection Customer ~~with a draft Interconnection System Impact Study Agreement in the form of Appendix 3 for the Interconnection Customer's review~~may request, and ~~consideration. The draft~~Transmission Provider (either itself or through a consultant) shall perform a reasonable number of Informational Interconnection ~~System Impact Study Agreement shall specify~~ Studies pursuant to the terms of Section 6.

Interconnection Customer shall submit to Transmission Provider an Informational Interconnection Study Request in the form of Appendix 2 to this LGIP and shall

describe the assumptions that Interconnection Customer ~~is responsible for the actual cost of the Interconnection System Impact Study and that the Transmission Provider will draw on the Interconnection Customer's deposit, as provided for in Section 3.1, to perform the study.~~

~~Within five (5) Business Days following the Scoping Meeting, Interconnection Customer shall complete and submit Attachment A to Appendix 3 to~~ wishes Transmission Provider to ~~specify~~study within the ~~designated~~scope described in Section 6.3, including a proposed Point(s) of Interconnection and any reasonable alternative Point(s) of Interconnection. ~~The Transmission Provider shall make Reasonable Efforts, within five (5) Business Days following Transmission Provider's receipt of such designation and any reasonable alternative Point(s) of Interconnection, to execute and tender to~~

At the time the Informational Interconnection Study Request is submitted, Interconnection Customer ~~the~~ must request either Energy Resource Interconnection Service or Network Resource Interconnection ~~System Impact Study Agreement, which includes a good faith estimate~~Service, as described in Section 3.4.1; provided, however, any Interconnection Customer requesting an Informational Interconnection Study for Network Resource Interconnection Service may also request that it be concurrently studied for Energy Resource Interconnection Service.

Interconnection Customer must submit a deposit with each Informational Interconnection Request even when more than one request is submitted for a single site. An Informational Interconnection Request to evaluate one site at two different voltage levels shall be treated as two Informational Interconnection Requests.

At the request of ~~the cost for completing~~either the Interconnection ~~System Impact Study. If~~Customer or Transmission Provider ~~cannot execute~~, Transmission Provider and ~~tender such an agreement within this~~Interconnection Customer will schedule a scoping meeting at a mutually agreed-upon time ~~frame~~.

6.2 Informational Interconnection Study Agreement

Within five (5) Business Days after receipt of a request for an Informational Interconnection Study, Transmission Provider shall provide to Interconnection Customer an ~~estimated date for such execution and tendering along with an~~

~~explanation of the reasons why additional time is required. Interconnection Customer shall execute and deliver to Transmission Provider the Interconnection System Impact Study Agreement no later than thirty (30) Calendar Days after it receives the agreement from the Transmission Provider, subject to Section 3.6~~Informational Interconnection Study Agreement in the form of Appendix 2A.

~~Concurrently with or before the~~ The Informational Interconnection ~~Customer's execution and return~~Study Agreement shall: (i) include the scope of work for the Informational Interconnection ~~System Impact Study Agreement to~~ Study, subject to other requirements in Section 6.3, (ii) specify the technical data that Interconnection Customer must provide, (iii) specify the Informational Interconnection Study case and assumptions, and (iv) identify the Transmission Provider's estimate of the cost of the Informational Interconnection Study. Notwithstanding the above, Transmission Provider~~, Interconnection Customer shall provide the technical data called for in Appendix 3, Attachment A.~~

~~If the Interconnection System Impact Study uncovers any unexpected~~ shall not be required as a result~~(s) not contemplated during the Scoping Meeting, a substitute Point of Interconnection identified by either~~ of an Informational Interconnection ~~Customer or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of~~ Study request to conduct any additional Interconnection ~~specified above without loss of Queue Position, and re-studies shall be completed pursuant to Section 7.6 as applicable. For the purpose of this Section 7.1, if Transmission Provider and~~Studies with respect to any other Interconnection ~~Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer, in accordance with Section 3.3.4, may direct that one of the alternative Point(s) of Interconnection specified in the Interconnection System Impact Study Agreement shall be the substitute~~Request.

~~The Transmission Provider will draw upon the Interconnection Customer's initial deposit to perform the study. In the event that the initial deposit is not sufficient to cover the actual costs of the Interconnection System Impact Study, including any costs incurred for re-studying the system impact of the project in accordance with Section 7.6, the Transmission Provider shall invoice Interconnection Customer for the good faith estimate to complete the study and/or re-study. Interconnection Customer shall submit payment no later than fifteen (15) Calendar Days of its receipt of the invoice. If Transmission Provider does not receive payment for the estimated balance from Interconnection Customer within the time required above, Transmission Provider shall provide written notice in~~

~~accordance with Section 3.6 and the Interconnection Customer shall be bound by the terms and time requirements in Section 3.6 to cure non-payment.~~

~~**7.2 Execution of Interconnection System Impact Study Agreement**~~

Interconnection Customer shall execute the Informational Interconnection ~~Customer shall execute the Interconnection System Impact~~ Study Agreement ~~and deliver the executed Interconnection System Impact Study Agreement to Transmission Provider no later than thirty (30) Calendar Days after its receipt, along with demonstration of Site Control or the additional posting of a $50,000 deposit which shall be refundable without interest if and when Interconnection Customer demonstrates Site Control or withdraws its application.~~

~~If Interconnection Customer does not provide all required technical data when it delivers the Interconnection System Impact Study Agreement, Transmission Provider shall make Reasonable Efforts to notify Interconnection Customer of the deficiency. Upon its receipt of the notice of deficiency from Transmission Provider, 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~~ an agreed upon scope of work and deliver the ~~executed~~Informational Interconnection ~~System Impact~~ Study Agreement ~~or~~, the technical data, and a $10,000 study deposit to Transmission Provider. Interconnection Customer shall be responsible for actual study costs.

~~If the Interconnection System Impact Study report uncovers any unexpected result(s) not contemplated during the Scoping Meeting, a substitute Point of Interconnection identified by either Interconnection Customer or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and restudies shall be completed pursuant to Section 7.6 as applicable. For the purpose of this Section 7.2, if Transmission Provider and Interconnection Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer, in accordance with Section 3.3.4, may direct Transmission Provider to consider and study one of the alternative Point(s) of Interconnection specified in Attachment A to Appendix 3 as a substitute Point of Interconnection.~~

~~**7.3 Scope of Interconnection System Impact Study**~~

~~The Interconnection System Impact Study shall evaluate the impact of the proposed~~

6.3 Scope of Informational Interconnection Study

The intent of the Informational Interconnection Study is to aid Interconnection Customer in its business decisions related to interconnection ~~on the reliability~~ of ~~the Transmission System. The~~ generation facilities prior to submitting an Interconnection ~~System Impact~~Request. The Informational Interconnection 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 Informational Interconnection ~~System Impact~~ 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 ~~or have initiated Dispute Resolution pursuant to Section 13.5.~~. The Informational Interconnection Study will consist of a power flow and short circuit analysis.

~~The~~ To the extent possible, the Informational Interconnection Study shall identify the potential Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide Interconnection Service based upon the results and assumptions of the Informational Interconnection Study.

The Informational Interconnection Study shall be performed solely for informational purposes and does not bind the Transmission Provider in any way or entitle the requesting Interconnection Customer to a Queue Position. Interconnection Customer requesting an Informational Interconnection Study shall not be assigned any cost responsibility for Network Upgrades. For the avoidance of doubt, neither the request for nor the performance of an Informational Interconnection Study shall be considered an Interconnection Request.

6.4 Informational Interconnection Study Procedures

The executed Informational Interconnection Study Agreement, the deposit, 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 Informational Interconnection Study Agreement. Transmission Provider shall use Reasonable Efforts to complete the Informational Interconnection Study within a mutually agreed upon time period specified within the Informational Interconnection Study Agreement. This time period shall take into account all previous requests for Informational Studies that have been submitted but not yet completed. If Transmission Provider is unable to complete the Informational 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 work papers and databases or data developed in the preparation of the Informational Interconnection Study, subject to confidentiality arrangements consistent with Section 13.1.

Section 7. Cluster Study

7.1 Cluster Study Agreement

No later than five (5) 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 3 to this LGIP. The Cluster Study Agreement shall require the Interconnection Customer to compensate Transmission Provider for the actual cost of the Cluster Study. The specifications, assumptions, or other provisions in the appendices of the Cluster Study Agreement provided pursuant to this Section 7.1 shall be subject to change by Transmission Provider following conclusion of the Scoping Meeting.

7.2 Customer Engagement Window

Upon the close of each Cluster Request Window, Transmission Provider will open a thirty (30) 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 sentence and upon written consent of all Interconnection Customers

within a specific Cluster, Transmission Provider may shorten the Customer Engagement Window in order to start the Cluster Study earlier. Within the first ten (10) Business Days following the close of the Cluster Request Window, Transmission Provider shall post on its OASIS site a list of Interconnection Requests for that Cluster. The list shall identify, for each Interconnection Request: (i) the requested amount of Interconnection Service; (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 type of Interconnection Service requested; (vi) the type of Generating Facility to be constructed including fuel type such as wind, natural gas, coal, or solar; and (vii) the Cluster Area assigned to each Interconnection Request. During the Customer Engagement Window, Transmission Provider will provide to Interconnection Customer a non-binding updated good faith estimate of the cost and timeframe for completing the Cluster Study.

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 3 shall be included in that Cluster Study. Any Interconnection Requests not deemed valid or undergoing Dispute Resolution at the close of the Customer Engagement Window shall not be included in that Cluster. Immediately following the Customer Engagement Window, Transmission Provider shall initiate the Cluster Study described in more detail in Section 7.

7.3 Execution of Cluster Study Agreement and Scope of Cluster Study

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.

The Cluster Study shall evaluate the impact of the proposed interconnection on the reliability of the Transmission System ~~Impact Study will~~ . 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 Request Window closes:

(i) are existing and directly interconnected to the Transmission System;

(ii) are existing and interconnected to Affected Systems and may have an impact on the Interconnection Request;

(iii) have a pending higher queued or higher clustered 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 consider the level of Interconnection Service requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns.

The Cluster Study shall consist of ~~analyses of~~ power flow, stability, and short circuit~~/fault duty, stability, power flow, reactive margin and, if deemed necessary by~~ analyses, the results of which are documented in a single Cluster Study Report, or Cluster Re-Study Report, as applicable.

For purposes of identifying Network Upgrades and other facilities caused by requests for Network Resource Interconnection Service, Transmission Provider~~, harmonics and/or subsynchronous resonance (SSR).~~ will run two iterations of the Cluster Study. The ~~Interconnection~~ first iteration of the Cluster Study shall assume all requests in the applicable Cluster Study have requested Energy Resource Interconnection Service, to establish a baseline of shared Network Upgrades. In the second iteration, the Transmission Provider shall update the study with any requests for Network Resource Interconnection Service, as applicable, to identify the incremental Network Upgrades caused by the requests for Network Resource Interconnection Service. In conducting the first iteration of the Cluster Study and determining the necessary Interconnection Facilities and Network Upgrades, Transmission Provider may model operating resources in the Transmission System ~~Impact Study~~at less than full output to the extent consistent with maintaining system reliability, Good Utility Practice, and expected operation of the resources in the Transmission System based on historical operating patterns and/or capacity factors. All such modeling assumptions shall be described in the Cluster Study Report.

At the conclusion of the Cluster Study, Transmission Provider will 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~~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 Interconnection System Impact Study~~ The Cluster Study Report shall identify Transmission Provider's 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 estimates for required upgrades. The Cluster Study Report shall identify each Interconnection Customer's estimated allocated costs for Transmission Provider's Interconnection Facilities and Transmission Provider's Network Upgrades pursuant to the methodology in Section 4.2.3. Transmission Provider shall hold an open stakeholder meeting pursuant to Section 7.4 below.

The Cluster Study report will provide a list of facilities that are required as a result of the Interconnection ~~Request~~Requests and a non-binding good faith estimate of cost responsibility ~~along with~~and a non-binding good faith estimated time to construct.

Upon issuance of a Cluster Study Report, or Cluster Re-Study Report, if any, Transmission Provider shall simultaneously tender a draft Facility Study Agreement, subject to the conditions in Section 8.1.

7.4 ~~Interconnection System Impact~~Cluster Study Procedures

Transmission Provider shall coordinate the ~~Interconnection System Impact~~Cluster Study with any Affected System that is affected by the Interconnection Request pursuant to Section 3.~~5.~~ 6 above. Transmission Provider shall utilize existing studies to the extent practicable when it performs the ~~study.~~ Cluster Study. Interconnection Requests for a Cluster Study may be submitted only within the Cluster Request Window and Transmission Provider shall ~~use Reasonable Efforts~~initiate the Cluster Study process pursuant to ~~complete the Interconnection~~ Section 4.2.1.

a. Transmission Provider may segment and perform Cluster Studies according to geographically and/or electrically relevant areas on the Transmission Provider's Transmission System ~~Impact Study within ninety (90) Calendar Days after (1) the Interconnection System Impact Study Agreement has been fully executed by the Parties; (2) all required technical data has been submitted by Interconnection Customer; and, if applicable, (3) any portion of the~~

~~actual study costs that is not covered by Interconnection Customer's initial deposit has been fully paid. If Transmission Provider uses Clustering~~("Cluster Area"). Cluster Areas shall be determined by the Transmission Provider at the end of each Customer Engagement Window and shall be based on the valid Interconnection Requests that are submitted during the Cluster Request Window. Before the Scoping Meeting, the Transmission Provider shall initially determine each Cluster Area and shall post on its OASIS website, for discussion during the Scoping Meeting, a draft plan for the Cluster Study, including a map and table defining the Cluster Areas assigned to each valid Interconnection Request received during the Cluster Request Window. Transmission Provider shall post an updated Cluster Area map, table, and final Cluster Study plan on OASIS by no later than the end of the Customer Engagement Window. The Cluster Study shall consist of all valid Interconnection Requests in each respective Cluster Area that have executed a Cluster Study Agreement and have provided all required information before the close of the Customer Engagement Window.

b. Unless restudies are required pursuant to Section 7.5, Transmission Provider shall use Reasonable Efforts to ~~deliver a completed Interconnection System Impact Study within ninety (90) Calendar Days~~complete the Cluster Study and issue the Cluster Study Report within one hundred fifty (150) Calendar Days of the close of the Customer Engagement Window. If the Cluster Study Report is due on a non-Business Day, Transmission Provider shall issue the report on the first Business Day after the ~~close of~~date the ~~Queue~~ Cluster ~~Window~~Study Report would otherwise be due.

c. Within ten (10) Business Days of simultaneously furnishing a Cluster Study Report (or, as applicable, Cluster Re-Study Report) and a draft Interconnection Facilities Study Agreement to Interconnection Customers and posting such report on OASIS, Transmission Provider shall convene an open meeting to discuss the study results ("Cluster Study Report Meeting" or "Cluster Re Study Report Meeting"). Transmission Provider shall, upon request, also make itself available to meet with individual Interconnection Customers after the report is provided.

7.5 Cluster Study Withdrawals and Re-Studies

a. If no Interconnection Customer withdraws from the Cluster after completion of the Cluster Study or Cluster Re-Study or is deemed withdrawn pursuant to Section 3.7, Transmission Provider shall electronically notify Interconnection Customers in the Cluster that a Cluster Re-Study is not required.

b. If one or more Interconnection Customer withdraw(s) from the Cluster, Transmission Provider shall determine if a Cluster Re-Study of the Cluster is necessary. If Transmission Provider determines a Cluster Re-Study is not necessary, Transmission Provider shall provide an updated Cluster Study Report within thirty (30) Calendar Days of such determination. When the updated Cluster Study Report is issued, Transmission Provider shall electronically notify Interconnection Customers in the Cluster that a Cluster Re-Study is not required.

c. If one or more Interconnection Customers withdraws from the Cluster and Transmission Provider determines a restudy of the Cluster is necessary as a result, Transmission Provider will continue with such re-studies as described in Section 7.5.d below, until Transmission Provider determines that no further re-studies are required. If an Interconnection Customer withdraws after Section 7.5.a, Section 7.5.c, during the Interconnection Facilities Study, or after other Interconnection Customers in the same Cluster have executed LGIAs, and Transmission Provider determines a restudy of the Cluster is necessary, the Cluster (including any Cluster Area) shall be restudied as described in Section 7.5.d below. Transmission Provider shall electronically notify Interconnection Customers in the Cluster and post on OASIS that a re-study is required.

d. The scope of any Cluster Re-study shall be consistent with the scope of an initial Cluster Study pursuant to Section 7.3. Transmission Provider shall use Reasonable Efforts to complete the Cluster Re-Study for all Cluster Areas within one hundred fifty (150) Calendar Days of the commencement of the first Cluster Area Re-Study. The results of the Cluster Re-Study shall be combined into a single report ("Cluster Re-Study Report"), and Transmission Provider shall hold an open stakeholder meeting ("Cluster Re-Study Report Meeting") within ten (10) Business Days of publishing Cluster Re-Study Report on OASIS.

If additional re-studies are required, Interconnection Customer and Transmission Provider shall follow the procedures of this Section 7.5 until such time that Transmission Provider determines that no further re-studies are required. Transmission Provider shall electronically notify Interconnection Customers in the Cluster when no further re-studies are required.

e. At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required ~~time frame~~timeframe for completing the ~~Interconnection System Impact~~Cluster Study, Transmission Provider shall notify Interconnection ~~Customer~~Customers as to the schedule status of the ~~Interconnection System Impact~~Cluster Study. If Transmission Provider is unable to complete the ~~Interconnection System Impact~~Cluster Study within the time period, it shall notify Interconnection ~~Customer~~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 Customer ~~with~~ all supporting documentation, ~~any~~ workpapers, and relevant pre-Interconnection Request and post-Interconnection Request power ~~flows, and~~flow, short circuit and stability databases for the ~~Interconnection System Impact~~Cluster Study, subject to confidentiality arrangements consistent with Section 13.1.

~~**7.5 Meeting with Transmission Provider**~~

~~Within ten (10) Business Days of providing an Interconnection System Impact Study report to Interconnection Customer, Transmission Provider shall make Reasonable Efforts to meet with Interconnection Customer to discuss the results of the Interconnection System Impact Study.~~

~~**7.6 Re-study of System Impact Study**~~

~~If re-study of the Interconnection System Impact Study is~~ f. If Re-Study of the Cluster Study other than the Re-Study described in Section 7.5(a)-(d) is required due to a higher or equal priority queued project dropping out of the queue, or a modification of a higher queued project subject to Section 4.4, ~~or re-designation of the Point of Interconnection pursuant to Section 7.2,~~ Transmission Provider shall notify Interconnection Customer(s) in

writing. ~~Such re-study~~ The Transmission Provider shall ~~take~~make Reasonable Efforts to ensure such Re-Study takes no longer than ~~sixty (60~~one hundred fifty (150) Calendar Days from the date of notice. ~~If Transmission Provider is unable to complete~~Except as provided in Section 3.7 in the ~~re-study within this time period, it shall notify~~case of withdrawing Interconnection ~~Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Any~~Customers, any cost of ~~re-study~~Re-Study shall be borne by ~~the~~ Interconnection Customer(s) being re-studied.

Section 8. Interconnection Facilities Study

8.1 Interconnection Facilities Study Agreement

Simultaneously with ~~Transmission Provider's~~ the delivery of the ~~Interconnection System Impact~~final Cluster Study ~~report~~Report, or ~~re-study report to Interconnection Customer~~Cluster Re-Study Report if applicable, Transmission Provider shall provide to Interconnection Customer ~~with a draft~~an Interconnection Facilities Study Agreement in the form of Appendix 4 to this LGIP. The Interconnection Facilities Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection Facilities Study. ~~Within ten (10) Business Days following the Interconnection System Impact Study results meeting or as soon as practicable,~~ Transmission Provider shall provide to Interconnection Customer ~~an executed Interconnection Facilities Study Agreement which~~ includes a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study.
~~Within thirty (30) Calendar Days after its receipt of the foregoing documents,~~ Interconnection Customer shall execute the Interconnection Facilities Study Agreement and deliver ~~to Transmission Provider (i) the fully~~the executed Interconnection Facilities Study Agreement~~, (ii) the~~ to Transmission Provider within thirty (30) Calendar Days after its receipt, together with: (i) any required technical data~~, and (iii) the full amount~~; (b) a demonstration of ~~the study deposit required~~Site Control pursuant to Section ~~8~~3.4.1~~.1.~~

~~8.1.1 Deposit and Payment For~~ (iii); and (c) demonstration of a Readiness Milestone Option in Sections 3.4.1(v)(b) – (c), a site-specific Purchase Order for generating equipment specific to the Interconnection ~~Facilities Study~~Request, or a Financial Security payment equal to the Network Upgrade costs allocated

~~The~~ ~~Transmission Provider will draw upon any remainder of the Interconnection Customer's initial deposit to perform the Interconnection Facilities Study. In the event that the remainder of the initial deposit is insufficient to cover the actual costs, including any costs incurred for re-studying the facility impact in accordance with Section 8.5, the Transmission Provider shall require an additional deposit in the amount invoiced~~ to Interconnection Customer ~~for the good faith estimate to complete the study and/or re-study. Interconnection Customer shall submit the additional deposit no later than thirty (30) Calendar Days of its receipt of the invoice. If Transmission Provider does not receive the deposit from Interconnection Customer within the time prescribe above, the Interconnection Customer~~in the most recent Cluster Study Report minus any amounts already paid pursuant to Section 3.4.1(v)(d). Such additional Financial Security shall be ~~bound to the terms and time requirements in Section 3.6 to cure non-payment. Any shortage between the additional deposit and the actual costs of the Interconnection Facilities Study will be invoiced to Interconnection Customer and shall be paid in accordance with the terms of the invoice, subject to Section 3.6.~~refunded in accordance with Section 13.3.3.

8.2 Scope of Interconnection Facilities Study

~~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 ~~Interconnection System Impact~~Cluster Study ~~report~~Report (and any associated re-studies) in accordance with Good Utility Practice ~~and NERC/WECC reliability standards set forth in Section 13.7~~ to physically and electrically connect the Interconnection ~~Facilities~~Facility 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~~, Common 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 Facilities

Study will also identify any potential control equipment for requests for Interconnection Service that are lower than the Generating Facility Capacity.

8.3 Interconnection Facilities Study Procedures

Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System pursuant to Section 3.

~~**8.3 Interconnection Facilities Study Procedures**~~

~~Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System pursuant to Section 3.5~~6 above. Transmission Provider shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. ~~Transmission Provider shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study.~~ ~~After~~Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after receipt of an executed Interconnection Facilities Study Agreement~~, Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within one hundred twenty (120) Calendar Days~~ : ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report or, ~~alternatively, within~~ one hundred eighty (180) Calendar Days~~ with no more than~~ , if Interconnection Customer requests a +/- 10 percent cost estimate. If the Facilities Study Report is due on a non-Business Day, Transmission Provider shall issue the report on the first Business Day following the day the Facilities Study Report would otherwise be due.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required 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 time required, 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 issue the final Interconnection Facilities Study report within ~~twenty-five (25~~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 ~~twenty-five~~fifteen-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~~Report. Upon request, Transmission Provider shall provide Interconnection Customer ~~with~~ 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.

8.4 Meeting with Transmission Provider

~~and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 13.1.~~

~~**8.4 Meeting with Transmission Provider**~~

Within ~~twenty (20~~ten (10) Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer ~~or as soon as practicable~~, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study.

8.5 Re-~~study of Facilities~~ Study

If re-study of the Interconnection Facilities Study, or Facilities Study for a Small Generating Facility performed under Section 3.6 of Attachment N is required due to a higher or equal priority queued project dropping out of the queue or a modification of a higher queued project pursuant to Section 4.4, Transmission Provider shall so notify Interconnection Customer in writing. ~~Such re-study shall take no~~ Transmission Provider shall make Reasonable Efforts to ensure such re-study shall take no longer than sixty (60) Calendar Days from the date of notice.

Re-Studies that require rerunning the Cluster Study analysis may take longer than sixty (60) Calendar Days ~~from the date of notice, unless mutually agreed otherwise. Any~~. Except as provided in Section 3.7 in the case of withdrawing Interconnection Customers, any cost of re-study shall be borne by the Interconnection Customer being re-studied.

Section 9. Engineering & Procurement ("E&P") Agreement

~~**Section 9.Section 1. 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 ~~may~~shall offer the 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~~; provided, however~~. However, Transmission Provider shall not ~~consider~~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 the 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 application for interconnection~~from the Cluster 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 ~~at its sole discretion~~: (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 ~~prior to taking title and possession~~.

~~**Section 10. Optional Interconnection Study**~~

~~**10.1 Optional Interconnection Study Agreement**~~

~~On or after the date when Interconnection Customer receives the Interconnection System Impact Study results, Interconnection Customer may request, and Transmission Provider shall perform, a reasonable number of Optional Studies. The request shall describe the assumptions that Interconnection Customer wishes Transmission Provider to study within the scope described in Section 10.2. Within five (5) Business Days after receipt of a request for an Optional Interconnection Study or as soon as practicable, Transmission Provider shall provide to Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 5.~~

~~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 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 Study 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 required technical data and a $10,000 deposit to Transmission Provider which shall be managed as a separate account from Interconnection Customer's initial deposit.~~

~~**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, Common 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's 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, separate and apart from Interconnection Customer's initial deposit. Upon request, Transmission Provider shall provide Interconnection Customer with supporting documentation and databases or data developed in the preparation of the Optional Interconnection Study, subject to confidentiality arrangements consistent with Section 13.1.~~

Section 10. Reserved

Section 11. Large Generator Interconnection Agreement (LGIA)

11.1 Tender

Interconnection Customer shall tender comments on the draft Interconnection Facilities Study ~~report~~Report within thirty (30) Calendar Days of receipt of the report. Within ~~forty-five (45~~thirty (30) Calendar Days after the comments are ~~received~~submitted or ~~as soon as practicable~~after the Interconnection Customer notifies Transmission Provider that it will not provide comments, Transmission Provider shall tender a draft LGIA, together with draft appendices~~, attached as~~. The draft LGIA shall be in the form of Transmission Provider's standard form of LGIA, which is in Appendix 6. Interconnection Customer shall execute ~~the LGIA~~ and return ~~it with all~~the completed draft appendices within thirty (30) Calendar Days, unless ~~mutually agreed otherwise~~the sixty (60) Calendar Day negotiation period under Section 11.2 has commenced.

11.2 Negotiation

Notwithstanding Section 11.1, 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~~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 and initiate Dispute Resolution pursuant to Section 13.5. If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to initiate 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 initiated Dispute Resolution pursuant to Section 13.5 within sixty (60) Calendar Days of the ~~Transmission Provider's~~ tender of draft LGIA, it shall be deemed to have withdrawn its Interconnection Request ~~pursuant to Section 3.6. Otherwise,~~. Transmission Provider shall provide to

Interconnection Customer a final LGIA within fifteen (15) Business Days after the completion of the negotiation process.

11.3 Execution

Within fifteen (15) Business Days after receipt of the final LGIA, Interconnection Customer shall provide Transmission Provider ~~(A) reasonable evidence of continued Site Control or proof that it has now obtained Site Control or (B) if Site Control has not been demonstrated by reasonable evidence, post $250,000 additional security, which shall be applied toward future construction costs.~~with (A) demonstration that continued Site Control pursuant to Section 3.4.1(iii)(a) and (B) continued proof of meeting a Readiness Milestone Option in Section 3.4.1(v)(b), Section 3.4.1(v)(c), or a site-specific Purchase Order for generating equipment specific to the Interconnection Request, unless Interconnection Customer paid a deposit as provided in Section 3.4.1(v)(d) and associated Network Upgrade costs pursuant to Section 8.1(c). 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's election, has been achieved: (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) ~~the~~ execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility; (iv) ~~the~~ execution of a contract (or comparable evidence) for the sale of electric energy or capacity from the Large Generating Facility; or (v) ~~a completed~~ application for an air, water, or land use permit.

Interconnection Customer shall either: (i) execute two originals of the tendered LGIA and return both signed originals to Transmission Provider; or (ii) initiate Dispute Resolution pursuant to Section 13.5.

11.4 Commencement of Interconnection Activities

If Interconnection Customer executes the final LGIA, Transmission Provider and Interconnection Customer shall perform their respective obligations in accordance with the terms of the LGIA.

Section 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. Construction sequencing may also apply to shared Transmission Provider's Interconnection Facilities in a similar manner as described below for 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 ~~executed~~ LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance, to the extent ~~possible,~~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 but is not under any obligation to do so; provided that, Interconnection Customer commits to pay Transmission Provider: (i) any and all associated expediting costs and (ii) the cost of such Network Upgrades.~~

~~**12.2.3 Advancing Construction of Network Upgrades that are Part of an Expansion Plan of the Transmission Provider**~~

~~An Interconnection Customer with an executed LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance, to~~

~~the extent possible, 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 the Transmission Provider or other regional transmission planning process, 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 ~~but is not under any obligation to do so;~~ provided that~~,~~ Interconnection Customer commits to pay Transmission Provider: (i) any ~~and all~~ 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 Article 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.

12.2.3 Advancing Construction of Network Upgrades that are Part of an Expansion Plan of the 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, 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.

12.2.4 Amended Interconnection System Impact Study

~~If Transmission Provider can accommodate Interconnection Customer's request pursuant to Section 12.2.2 or 12.2.3, an amended Interconnection~~

~~System Impact Study will be required~~If applicable, an interconnection system impact study will be amended to determine the facilities necessary to support the requested In-Service Date. This amended study will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested In-Service Date. ~~Any and all costs and expenses associated with this amended Interconnection System Impact Study shall be borne by Interconnection Customer.~~

Section 13. Miscellaneous

13.1 Confidentiality

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of 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 Article 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.

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 ~~best~~knowledge of the receiving ~~Party's knowledge~~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 LGIP or the LGIA or violation of any provision of this LGIP~~the LGIA; or (6) is required, in accordance with Section 13.1.6, 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 ~~this LGIP or~~ 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

~~In addition to the terms and conditions of the LGIP, Transmission Provider may request Interconnection Customer, its agents, employees or assignee to execute a separate confidentiality agreement.~~ 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 a potential purchaser or assignee 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, ~~the~~a Party providing Confidential Information ~~about the Interconnection Request~~ 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~~, reliability~~ or completeness~~, unless otherwise stated~~. 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~~, subject to Sections 13.1.6 and 13.1.12.~~. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under these procedures or its regulatory ~~or municipal~~ 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, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of ~~this LGIP or~~ 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 not be deemed an exclusive remedy for the Breach of this Section 13.1, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are

necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 13.1.

13.1.8 Disclosure to FERC, its Staff, or a State ~~Regulatory Agency~~. Notwithstanding anything in this Section 13.1 to the contrary, and pursuant to 18 CFR ~~section~~Section 1b.20, if FERC or its staff~~, or if a state regulatory agency~~, 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 the LGIP, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR ~~section~~Section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information ~~should~~ be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR ~~section~~Section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.

13.1.9 ~~Disclosure to Third Parties~~

Subject to the exception in Section 13.1.8, any ~~Confidential Information~~ information that a Party claims ~~contains~~is competitively sensitive, commercial or financial information ("Confidential Information") shall not be disclosed by the other Party to any person ~~who is~~ 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 including disclosing the Confidential Information to an RTO or ISO or to a sub-regional, regional or national reliability organization, or ~~a regional or interregional transmission~~ 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.

13.1.10 ~~Information within Public Domain~~

~~Section 13~~ 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 ~~the provisions hereunder~~this provision).

13.1.~~11~~11 ~~Destruction~~11Destruction of Confidential Information

Transmission Provider shall, at Interconnection Customer's election, destroy ~~(~~, in a confidential manner~~)~~, or return the Confidential Information ~~that~~provided at the time of Confidential Information is no longer needed ~~by Transmission Provider for the Interconnection Request~~.

13.1.12 CPRA, Brown Act ~~and NERC/WECC Requirements~~

In addition to the foregoing provisions under this Section 13.1, Interconnection Customer acknowledges that Transmission Provider is

subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§6250 et seq. ("CPRA") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 *et. ~~seq.~~* ~~("Brown Act"), as well as certain data sharing requirements imposed by NERC and WECC. Any data sharing with NERC or WECC shall be made pursuant to the requirements imposed by NERC and WECC and any applicable data sharing or confidentiality agreements.~~ *Seq.* ("Brown Act"). Requests for information made directly to Transmission Provider pursuant to CPRA will be managed in a similar manner identified within Section 13.1.9. For purposes of the Brown Act, the Parties ~~should~~ shall adhere to the provisions of Section 13.1 to maintain confidentiality.

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 and Withdrawal Penalties; Refunds

13.3.1 Transmission Provider shall ~~provide a good faith estimate for each Interconnection Study~~charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies~~.~~ (or actual allocated costs, in the case of Cluster Studies pursuant to Section 4.2.2) and any Withdrawal Penalty, as applicable. Any difference between the ~~initial~~study deposit and the actual cost of the applicable Interconnection Study shall be paid by or refunded, except as otherwise provided herein, to Interconnection Customer or offset against the cost of any future Interconnection Studies associated with the applicable Interconnection Request prior to ~~the beginning of any such future Interconnection Studies.~~ beginning of any such future Interconnection Studies. If an Interconnection Customer's study deposit paid pursuant to Section 3.1 is greater than the Interconnection Customer's share of actual Cluster Study costs (including applicable restudies), any excess amounts shall be applied to the Interconnection Customer's individual Interconnection Facility Study costs, or refunded to the Interconnection Customer following Transmission Provider's issuance of the

Interconnection Customer's final Interconnection Facilities Study report. Interconnection Customer shall be responsible for any Withdrawal Penalties pursuant to Section 3.7 in the event of withdrawal.

13.3.2 In the event of Interconnection Customer's Withdrawal pursuant to Section 3.7, Transmission provider shall refund to Interconnection Customer any of the refundable portion of the following charges: (a) any study deposit paid pursuant to Section 3.1; (b) $3,000 per MW deposit paid pursuant to Section 3.4.1(v)(d); (c) any Site Control-related deposit paid pursuant to Section 3.4.1(iii); and (d) additional Financial Security payment for Network Upgrade costs paid pursuant to Section 8.1(c). Such refundable portion shall be any amount that exceeds Interconnection Customer's share of the costs that Transmission Provider has incurred (such as study costs) including interest calculated in accordance with Section 35.19a(a)(2) of FERC's regulations, and that exceed any Withdrawal Penalty imposed, if applicable.

13.3.3 Additional Financial Security paid by Interconnection Customer pursuant to Section 8.1(c) shall be refunded in whole or in part on the earlier of: (i) Interconnection Customer is able to demonstrate a Readiness Milestone Option in Section 3.4.1(v)(b), Section 3.4.1(v)(c), or a site-specific Purchase Order for generating equipment specific to the Interconnection Request; (ii) the Interconnection Request is withdrawn from the queue and pays any required Withdrawal Penalties; (iii) before achieving Commercial Operation the Interconnection Customer terminates its executed LGIA pursuant to LGIA Article 2.3 or applicable termination procedures and pays any required Withdrawal Penalties; or (iv) Interconnection Customer achieves Commercial Operation. Any partial or full refund pursuant to this Section shall include interest (if applicable) calculated in accordance with Section 35.19a(a)(2) of FERC's regulations, and that exceed any Withdrawal Penalty imposed.

13.3.4 Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study~~.~~ as well as the Withdrawal Penalty, if applicable. Interconnection Customer shall pay any such undisputed costs ~~in accordance with the requirements set forth in Sections 7, 8 and 10 as applicable.~~within thirty (30) Calendar Days of receipt of an invoice therefor. Transmission Provider shall not be obligated to perform or continue to perform any studies unless Interconnection Customer has paid all undisputed amounts in compliance herewith. If invoices are not paid within thirty (30) Calendar Days of receipt of an invoice, Transmission Provider shall draw upon

any security and deposits provided under this LGIP to settle all accounts, which shall include any offsets of amounts due and owing by Transmission Provider. After the final invoice is paid and all accounts are settled, Transmission Provider shall refund all remaining security and deposits.

13.4 Third Parties Conducting Studies

If (i) at the time of the signing of an Interconnection Study Agreement there is a disagreement as to the estimated time to complete an Interconnection Study, (ii) Interconnection Customer receives notice pursuant to Sections 7.4, 7.5(e) or 8.3 that Transmission Provider will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives neither the Interconnection Study ~~report~~ nor a notice under Sections 7.4, 7.5(e) or 8.3 within the applicable timeframe ~~required under this LGIP~~ for ~~the relevant~~such Interconnection Study, then Interconnection Customer may require Transmission Provider to utilize a third party consultant reasonably acceptable to Interconnection Customer and Transmission Provider to perform such Interconnection Study under the direction of Transmission Provider. At other times, Transmission Provider may also utilize a third party consultant to perform such Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in ~~accordance~~accord with Article 26 of the LGIA (Subcontractors) and 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. In cases where Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer and Transmission Provider shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. Transmission Provider shall convey all workpapers, data bases, 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 provisions in Section 13.1. In any case, such third party contract may be entered into with either Interconnection Customer or Transmission Provider at Transmission Provider's ~~sole~~ discretion. In the case of (iii), ~~where Interconnection Customer never received the~~

~~Interconnection Study report or notice that additional time is required, the~~ Interconnection Customer maintains its right to ~~initiate~~submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this LGIP, Article 26 of the ~~draft~~ LGIA (Subcontractors), and the relevant Tariff procedures and protocols as would apply if Transmission Provider were to conduct the Interconnection Study, and ~~further~~ shall use the information provided to it solely for purposes of performing such services and for no other purposes.

Transmission Provider shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study ~~report~~ 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 ~~this LGIP or~~ the ~~unexecuted~~ LGIA, the LGIP, 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 Notice of Dispute shall not be deemed a waiver of the requirements of, nor construed as compliance with, California Government Code Section 910 *et seq.,* or any successor statute.

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 ~~in Section 13.5.2~~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 or the~~ LGIA.

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 ~~with~~ 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"); 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 therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of ~~this LGIP or~~ the LGIA and LGIP and shall have no power to modify or change any provision of ~~this LGIP or~~ the LGIA and LGIP in any manner. ~~If the Parties have mutually agreed to binding arbitration, the~~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 ~~or federal or state law~~.

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.

~~13.5.5~~13.5.5 Non-binding dispute resolution procedures.

If a Party has submitted a Notice of Dispute pursuant to Section 13.5.1, and the Parties are unable to resolve the claim or dispute through unassisted or assisted negotiations within the thirty (30) Calendar Days provided in that Section, and the Parties cannot reach mutual agreement to pursue the Section 13.5 arbitration process, a Party may request that Transmission Provider engage in Non-binding Dispute Resolution pursuant to this section by providing written notice to Transmission Provider ("Request for Non-binding Dispute Resolution"). Conversely, either Party may file a Request for Non-binding Dispute Resolution pursuant to this Section without first seeking mutual agreement to pursue the Section 13.5 arbitration process. The process in Section 13.5.5 shall serve as an alternative to, and not a replacement of, the Section 13.5 arbitration process. Pursuant to this process, a Transmission Provider must within 30 days of receipt of the Request for Non-binding Dispute Resolution appoint a neutral decision-maker that is an independent subcontractor that shall not have any current or past substantial business or financial relationships with either Party. Unless otherwise agreed by the Parties, the decision-maker shall render a decision within sixty (60) Calendar Days of appointment and shall notify the Parties in writing of such decision and reasons therefore. This decision-maker shall be authorized only to interpret and apply the provisions of the LGIP and LGIA and shall have no power to modify or change any provision of the LGIP and LGIA in any manner. The result reached in this process is not binding. Each Party shall be responsible for its own costs incurred during the process and the cost of the decision-maker shall be divided equally among each Party to the dispute.

13.5.6 Governing Law and Venue

This LGIP and the LGIA, and all agreements hereunder shall be interpreted, governed by, and enforced in accordance with the laws of the State of California, as if executed and to be performed wholly within the State of California.

Any dispute arising out of or relating to this LGIP and the LGIA shall be brought in a state or federal court in the County of Los Angeles in the State of California. Each Party irrevocably agrees to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens.*

13.5.~~6~~7 Non-Jurisdictional Entity

Notwithstanding the form of this LGIP or the LGIA and any reference or inclusion of these documents within the Tariff, Transmission Provider is a non-public utility under section 201(f) of the Federal Power Act, 16 U.S.C. §824(f), and is subject to FERC jurisdiction only in limited circumstances pursuant to 16 U.S.C. §824j-1.

13.6 Municipal Tax-Exempt Bonds

13.6.1 Transmission Providers That Own Facilities Financed by Tax Exempt and Tax Credit Bonds

This provision is applicable to those facilities that Transmission Provider has financed with municipal tax-exempt bonds, Build America Bonds (BAB), Clean Renewable Energy Bonds ("CREBS" and "New CREBs"), Qualified Energy Conservation Bonds (QECB) and other qualified tax credit bonds (collectively "Tax Exempt and Tax Credit Bonds"). Notwithstanding any other provision of ~~this LGIP or~~ the LGIA and LGIP, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to ~~this~~the LGIA and LGIP ~~or the LGIA~~ if the provision of ~~Transmission Service~~such transmission service would jeopardize the tax-exempt status, volume cap, or any federal subsidy of any Tax Exempt or Tax Credit Bond 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 bond identified within Section~~s~~ 13.6.1 used to finance its facilities that would be used in providing such Interconnection Service, it shall advise the Interconnection Customer within thirty (30) Calendar Days of receipt of the Interconnection Request.

Interconnection Customer thereafter may renew its request for interconnection using the process specified in Article 5 of the Transmission Provider's Tariff.

~~**13.7 Conformance with NERC and WECC Reliability Requirements**~~

~~LADWP will require all Interconnection Customers to abide by the Applicable Reliability Standards and WECC Criteria including, but not limited to, the following:~~

~~1. Coordination of joint studies of new facilities and their impacts on the interconnected transmission systems.~~
~~2. Notification of new or modified facilities to others (those responsible for the reliability of the interconnected transmission systems) as soon as feasible.~~
~~3. Voltage level and MW and MVAR capacity or demand at point of connection.~~
~~4. Breaker duty and surge protection.~~
~~5. System protection and coordination.~~
~~6. Metering and telecommunications.~~
~~7. Grounding and safety issues.~~
~~8. Insulation and insulation coordination.~~
~~9. Voltage, Reactive Power, and power factor control.~~
~~10. Power quality impacts.~~
~~11. Equipment Ratings.~~
~~12. Synchronizing of facilities.~~
~~13. Maintenance coordination.~~
~~14. Operational issues (abnormal frequency and voltages).~~
~~15. Inspection requirements for existing or new facilities.~~
~~16. Communications and procedures during normal and emergency operating conditions.~~

~~Each of the items listed above will be addressed in LADWP's study(ies), as applicable to the specific interconnection request. More general requirements are identified within various sections of this LGIP.~~

APPENDIX 1 to LGIP
INTERCONNECTION REQUEST FOR A
LARGE GENERATING FACILITY

1. The undersigned Interconnection Customer submits this request to interconnect its Large Generating Facility with Transmission Provider's Transmission System pursuant to a Tariff.

2. This Interconnection Request is for ~~(check one):~~:
   _____ A proposed new Large Generating Facility.
   _____ All or a portion is an electric storage resource.
   _____ A proposed Large Generating Facility with Interconnection Service below the Generating Facility Capacity.
   _____ An increase in the generating capacity or a Material Modification of an existing Generating Facility.
   _____ Provisional Interconnection Service.
   _____ Surplus Interconnection Service.
   _____ Technological Advancement Request.

3. The type of ~~interconnection service~~Interconnection Service requested (check one):
   _____ Energy Resource Interconnection Service
   _____ Network Resource Interconnection Service

   ~~4. _____ Check here only if~~Note: For Surplus Interconnection ~~Customer requesting Network Resource~~Service requests, the type of Interconnection Service ~~also seeks to have its Generating Facility studied for Energy Resource~~ requested cannot exceed the type of Interconnection Service already provided by the original Interconnection Customer's LGIA.

4. Readiness Milestone Option selected, as specified in the LGIP, along with any supporting documentation: _____

   (Note that if the Readiness Milestone Option in Section 3.4.1(v)(d) is selected at this stage, pursuant to the LGIP, Interconnection Customer will also need to satisfy the requirements of Section 8.1 to proceed to a Facilities Study.)

5. Interconnection Customer provides the following information:

   a. Address or location (including GIS site coordinates) or the proposed new Large Generating Facility site (to the extent known) or, in the case of an existing

Generating Facility, the name and specific location of the existing Generating Facility;

b. Maximum summer at ____ degrees C and winter at _____ degrees C megawatt electrical output of the proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of an existing Generating Facility;

c. General description of the equipment configuration;

d. Anticipated In-Service Date for the proposed new Large Generating Facility (Day, Month, and Year);

e. ~~Anticipated~~ Commercial Operation Date (Day, Month, and Year);

f. Name, address, telephone number, and e-mail address of Interconnection Customer's contact person;

g. Approximate location of the proposed Point of Interconnection;

h. Interconnection Customer Data ~~including the information requested~~(set forth in Attachment A ~~of Appendix 1;~~);

~~k. One-line diagram/configuration layout;~~

i. Primary frequency response operating range for electric storage resources;

j. ~~GIS site coordinates~~Requested capacity (in MW) of Interconnection Service (if lower than the ~~proposed Large~~ Generating Facility~~; and~~ Capacity);

~~k. If the proposed Large Generating Facility is a wind or solar or hybrid facility, acknowledgement and compliance with the provisions set forth in Appendix 7.~~

k. General description of requested Surplus Interconnection Service, if applicable.

6. Applicable deposit amount as specified in Section 3.1 of the LGIP.

7. ~~Evidence of~~ Site Control as specified in the LGIP: (check one)
____ ~~Is~~Evidence is attached to this Interconnection Request

____ ~~Will be~~Site Control deposit provided ~~at a later date~~ in accordance with this LGIP

8. This Interconnection Request shall be submitted to the representative indicated below:

[To be completed by Transmission Provider]

9. Representative of Interconnection Customer to contact:

[To be completed by Interconnection Customer]

10. This Interconnection Request is submitted by:

Name of Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

Attachment A to Appendix 1
Interconnection Request

LARGE GENERATING FACILITY DATA

Note: A WECC-approved General Electric Company Power Systems Load Flow (PSLF) steady state and dynamic data file must be supplied with the Interconnection Request. If other data files are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.

UNIT RATINGS

kVA _____ °~~C~~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 _____ °~~C~~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. $ft.^2$

~~**NOTE: This Attachment A to Appendix 1 Interconnection Request must be completed for each generator that falls within this Interconnection Request if the collection system involves equipment with combined characteristics of two or more types of generators.**~~

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	$X2_v$ _____	
Negative Sequence – unsaturated	$X2_i$ _____	
Zero Sequence – saturated	$X0_v$ _____	
Zero Sequence – unsaturated	$X0_i$ _____	
Leakage Reactance	Xl_m _____	

FIELD TIME CONSTANT DATA (SEC)

Open Circuit	T'_{do} _____		T'_{qo} _____	
Three-Phase Short Circuit Transient	T'_{d3} _____		T'_{q} _____	
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} _____

Department of Water and Power
of the City of Los Angeles

Open Access Transmission Tariff
Original Sheet No. - 99 -

NOTE: If requested information is not applicable, indicate by marking "N/A."

Department of Water and Power
of the City of Los Angeles

Open Access Transmission Tariff
Original Sheet No. - 100 -

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.

~~**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))

OATT Effective [Insert]

Department of Water and Power
of the City of Los Angeles

Open Access Transmission Tariff
Original Sheet No. - 101 -

_____/_____/_____

Fixed Taps Available _____

Present Tap Setting _____

IMPEDANCE

Positive Z_1 (on self-cooled kVA rating)_____ % _____ X/R

Zero 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 completed General Electric Company Power Systems Load Flow (PSLF) data sheet or other compatible formats, such as IEEE and PTI power flow models, must be supplied with the

Interconnection Request. If other data sheets are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.

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 by (*) is required.

APPENDIX 2 to LGIP

~~**RESERVED**~~

~~APPENDIX 3 to LGIP~~
INFORMATIONAL INTERCONNECTION STUDY REQUEST

1. The undersigned Interconnection Customer submits this request for an Informational Interconnection Study pursuant to Transmission Provider's Tariff.

2. The type of interconnection service to be evaluated (check one):
_____ Energy Resource Interconnection Service
_____ Network Resource Interconnection Service

3. Check here _____ only if Network Resource Interconnection Service was selected above and Interconnection Customer also requests to have its proposed Generating Facility studied for Energy Resource Interconnection Service, for informational purposes.

4. Interconnection Customer provides the following information:

   a. Address or location of the proposed new Large Generating Facility site to be studied (to the extent known) or, in the case of an existing Generating Facility, the name and specific location of the existing Generating Facility;

   b. Maximum summer at __ degrees C and winter at ___ degrees C megawatt electrical output of the proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of an existing Generating Facility;

   c. General description of the equipment configuration;

   d. Commercial Operation Date to be studied (Day, Month, and Year);

   e. Name, address, telephone number, and e-mail address of Interconnection Customer's contact person;

   f. Approximate location of the proposed Point of Interconnection;

   g. Interconnection Customer Data (set forth in Attachment A);

   h. Primary frequency response operating range for electric storage resources; and

   i. Requested capacity (in MW) of Interconnection Service to be studied (if lower than the Generating Facility Capacity).

5. $10,000 study deposit amount as specified in the LGIP.

6. This Interconnection Request shall be submitted to the representative indicated below:
[To be completed by Transmission Provider]

7. Representative of Interconnection Customer to contact:
[To be completed by Interconnection Customer]

8. This Informational Interconnection Request is submitted by:

Name of Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

Attachment A to Appendix 2
Informational Interconnection Study Request

LARGE GENERATING FACILITY DATA

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	$X2_v$	
Negative Sequence - unsaturated	$X2_i$	
Zero Sequence - saturated	$X0_v$	

Zero Sequence - unsaturated	$X0_i$
Leakage Reactance	Xl_m

FIELD TIME CONSTANT DATA (SEC)

Open Circuit		T'_{do}	T'_{qo}
Three-Phase Short Circuit Transient	T'_{d3}	T'_q	
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

Zero Z_0 (on self-cooled kVA rating) _____ % _____ X/R

EXCITATION SYSTEM ~~IMPACT~~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 set-points for the protective equipment or software:

_____

Note: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet or other compatible formats, such as IEEE and PTI power flow models, must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.

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 by (*) is required.

APPENDIX 2A TO LGIP
INFORMATIONAL INTERCONNECTION STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20 _____ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ a _____ existing under the laws of the State of _____, ("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 developing a Large Generating Facility or generating capacity addition to an existing Generating Facility; and

WHEREAS, Interconnection Customer is proposing to evaluate an interconnection with the Transmission System; and

WHEREAS, Interconnection Customer has submitted to Transmission Provider an Informational Interconnection Study Request; and

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Informational Interconnection Study consistent with Section 6 of the LGIP.

3.0 The scope of the Informational Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Informational Interconnection Study shall be performed solely for informational purposes and is not binding on either Party.

5.0 The Informational Interconnection Study shall be based on the technical information provided by Interconnection Customer in the Informational

Interconnection Study Request, as may be modified as the result of the optional scoping meeting. 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 Informational Interconnection Study. If Interconnection Customer modifies its Informational Interconnection Study Request, the time to complete the Informational Interconnection Study may be extended.

6.0 The Informational Interconnection Study Report shall provide the following information:

- preliminary identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

- preliminary identification of any thermal overload or voltage limit violations resulting from the interconnection; and

- preliminary description and non-bonding estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit and power flow issues.

7.0 Interconnection Customer shall provide a deposit of $10,000 for the performance of the Informational Interconnection Study.

Upon receipt of the Informational Interconnection Study Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Informational Interconnection Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

8.0 Miscellaneous. The Informational Interconnection Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

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.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

Attachment A to Appendix 2A
Informational Interconnection
Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE INFORMATIONAL INTERCONNECTION STUDY

The Informational Interconnection Study will be based upon the information set forth in the Informational Interconnection Study Request and agreed upon in the optional scoping meeting held on _____:

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 the Interconnection Customer and other assumptions to be provided by the Interconnection Customer and Transmission Provider]

APPENDIX 3 to LGIP
CLUSTER STUDY AGREEMENT

THIS AGREEMENT ~~("Agreement")~~ is made and entered into this___day of _____, 20___ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") 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 ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

~~**RECITALS**~~

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a [CHOOSE: Large Generating Facility or Small Generating Facility] or generating capacity addition to an existing Generating Facility (including Surplus Interconnection Service and Provisional Interconnection Service) consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the ~~Large Generating Facility~~[CHOOSE: Large Generating Facility or Small Generating Facility] or generating capacity addition to an existing Generating Facility (including Surplus Interconnection Service or Provisional Interconnection Service) with the Transmission System; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform ~~an Interconnection System Impact~~a Cluster Study to assess the impact of interconnecting the [CHOOSE: Large Generating Facility or Small Generating Facility] to the Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP and, if applicable, SGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed ~~an Interconnection System Impact~~a Cluster Study consistent with, as applicable, Section 7.0 of ~~this~~the LGIP or Section 3 of the SGIP in accordance with the Tariff and any associated Business Practices.

3.0 The scope of the ~~Interconnection System Impact~~Cluster Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The ~~Interconnection System Impact~~Cluster Study will be based upon the ~~technical~~ information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with, as applicable, Section 4.4 of the LGIP or Section 3 of the SGIP. 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 ~~Interconnection Customer System Impact~~Cluster Study. If Interconnection Customer modifies its Interconnection Request~~,~~ or ~~any~~the technical information provided therein, the time to complete the ~~Interconnection System Impact~~Cluster Study may be extended.

5.0 The ~~Interconnection System Impact~~Cluster Study report shall provide the following information, as applicable, consistent with the type of Interconnection Service requested:

(i) identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

(ii) identification of any thermal overload or voltage limit violations resulting from the interconnection;

(iii) identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;

~~(iv) identification of any magnitude and impacts of harmonics resulting from the interconnection;~~

~~(v) if required by Transmission Provider, identification of any impacts of subsynchronous resonance (SSR) resulting from the interconnection; and~~

~~(vi~~ (iv) 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~~/faulty duty~~, instability, power flow~~, reactive margin and harmonics and/or sub-synchronous resonance (SSR)~~ issues~~.~~; and

(vii) identification of Contingent Facilities.

6.0 ~~Any remaining balance from~~ Interconnection Customer's ~~initial~~ deposit ~~of $250,000~~, paid pursuant to, as applicable, Section 3.1 of the LGIP, Attachment 2 of the SGIP, or Attachment M-1, as may be applicable, shall be used ~~towards the performance of the~~ to pay Interconnection ~~System Impact~~Customer's share of Cluster Study costs allocated pursuant to Section 4.2.2 of the LGIP or Section 3.4.2 of the SGIP. Transmission Provider's good faith estimate for the time of completion of the ~~Interconnection System Impact~~Cluster Study is ~~_____, 20___, and its good faith cost estimate is $_____. If there is any difference between the Transmission Provider's good faith estimate and the actual cost of the study, the Transmission Provider will perform a true-up and shall debit or credit Interconnection Customer's initial deposit, as appropriate. If the remaining balance from the initial deposit is insufficient to cover all of the costs and expenses associated with the Interconnection System Impact Study including any re-study(ies), then the Transmission Provider shall invoice the~~ [insert date].

Upon receipt of the Cluster Study, Transmission Provider shall charge and Interconnection Customer ~~for~~shall pay its actual allocable costs of the ~~good faith estimate~~Cluster Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer ~~shall submit payment no later than fifteen (15) Calendar Days after it receives the invoice. If Transmission Provider does not receive payment for the estimated balance from~~, as appropriate. As provided in Section 13.3 of the LGIP, Interconnection Customer has thirty (30) Calendar Days of receipt of an invoice from Transmission Provider to pay any undisputed costs. If invoices are not paid within thirty (30) ~~days, the Interconnection Customer shall have five (5) Business~~Calendar Days ~~to cure non-payment; provided that, if Interconnection Customer fails to cure its non-payment within the five (5) Business Days, Interconnection Customer's Interconnection Request~~of receipt of an invoice, Transmission Provider shall draw upon the

security and deposits provided to settle all accounts, which shall ~~be treated~~include any offsets of amounts due and owing by Transmission Provider~~ as withdrawn in accordance with Section 3.6 of the LGIP and Interconnection Customer shall be deemed in default of this LGIA pursuant to Article 17~~. After the final invoice is paid and all accounts are settled, Transmission Provider shall refund all remaining security and deposits.

~~Upon receipt of the executed Interconnection System Impact Study Agreement from Interconnection Customer, Transmission Provider shall deduct the estimated cost of the study against the Interconnection Customer's initial deposit and Interconnection Customer shall pay the actual costs of the Interconnection System Impact Study from its initial deposit.~~

~~If there is any difference between Transmission Provider's good faith estimate and the actual cost of the study, the Transmission Provider will perform a true-up and shall debit or credit Interconnection Customer's initial deposit, as appropriate.~~

7.0 Miscellaneous Provisions.

7.1 Indemnification. The Parties shall at all times indemnify, defend, and hold harmless the other Parties, their respective officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, ~~without limitation, business interruption, impairment of contract,~~ death, bodily injury or personal injury to any person, damage or destruction ~~or loss of use to or of~~to any property (financial, physical, or intellectual) by or to third parties (collectively, "Losses") arising by reason of or incident to or directly or indirectly related to the other Party's acts, errors or omissions, performance or non-performance or Breach of any of their obligations of or under this Agreement, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.2 Accuracy of Information. The Interconnection Customer represents and warrants that, to the best of its knowledge and in accordance with Good

Utility Practice, the information that it provides to the Transmission Provider in connection with this ~~Interconnection System Impact~~Cluster Study Agreement and the ~~Interconnection System Impact~~Cluster Study is accurate and complete. The Interconnection Customer acknowledges and accepts that it has a continuing obligation under this ~~Interconnection System Impact~~Cluster Study Agreement to promptly provide the Transmission Provider with any additional information required to update the information previously provided within no less than forty-eight (48) hours.

7.3 Disclaimer of Warranty; Limitation of Liability and Release. In performing or causing the ~~Interconnection System Impact~~Cluster Study to be performed, the Transmission Provider may rely on the information provided by the Interconnection Customer and third parties, which Transmission Provider may not have any control over the veracity or accuracy of such information. For data, information and other studies submitted by the Interconnection Customer or obtained from third parties or industry sources, TRANSMISSION PROVIDER ~~HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE ELECTRIC INDUSTRY, OR OTHERWISE, INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.~~

~~FURTHERMORE, TRANSMISSION PROVIDER~~ SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE

SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR ~~COMMOM~~ COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

Upon execution of this ~~Interconnection System Impact~~Cluster Study Agreement, the Interconnection Customer acknowledges and accepts that it has not relied on any representations or warranties not specifically set forth herein.

7.4 Representations and Warranties. ~~The~~ Each Party makes the following representations, warranties and covenants:

7.4.1 Good Standing. Such Party is duly organized, validly existing and, in the case of the Interconnection Customer ~~represents and warrants~~, in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is ~~free~~qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has legal power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and ~~to~~ carry out the transactions contemplated hereby and perform ~~each of the~~ and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

7.4.2 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 ~~and covenants of it. The Interconnection Customer represents and warrants that it has undertaken or will cooperate with~~ , 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), and, in the case of the Transmission Provider ~~in undertaking any environmental review required for its proposed project, including but not limited to the~~ , the limitations on legal remedies against municipal corporations in the State of California ~~Environmental Quality Act (CEQA) as amended and stated within Cal. Pub. Res. Code §§ 21000-21178 or any successor statute; provided however, Transmission Provider's undertaking and completion of the System Impact Study, or issuance of a system impact study report, shall neither be construed as a guarantee of an interconnection agreement nor an approval of the proposed project. The Interconnection Customer further represents and warrants it is not restricted or prohibited contractually or otherwise, from entering into and performing this agreement, and that the~~ .

7.4.3 No Conflict. The execution, delivery and performance of this Agreement ~~by Interconnection Customer will not constitute a violation or breach of any other agreement between it and any other person or entity~~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.

~~7.5 Force Majeure. If a Force Majeure Event prevents the Transmission Provider from fulfilling any obligations under this Interconnection System Impact Study Agreement, Transmission Provider shall promptly notify the Interconnection Customer in writing, and shall suspend or modify its performance under said agreement until the Force Majeure Event, to the extent that the effect of the Force Majeure Event cannot be mitigated by use of Good Utility Practice or commercially reasonable efforts. For purposes of this Interconnection System Impact Study Agreement, a "Force Majeure Event" means any event or circumstance caused by reason of Force Majeure that prevents or delays Transmission Provider's~~

~~performance under this Agreement which (a) is beyond the reasonable control of the Transmission Provider and (b) was unable to be prevented or provided against by exercising Good Utility Practice or commercially reasonable efforts. In the event that the Transmission Provider suspended its performance, it shall resume its obligations under this Interconnection System Impact Study Agreement as soon as reasonably possible upon resolution of the Force Majeure Event. In the event that the Parties mutually agree to modify Transmission Provider's performance as a result of the Force Majeure Event, this Interconnection System Impact Study Agreement shall be modified in accordance with Section 7.12 herein.~~

7.4.4 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.

7.5 Force Majeure.

7.5.1 A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence (which does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to the additional requirement of a Force Majeure Written Notice set forth in Section 7.5.2.

7.5.2 A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall provide the Force Majeure Immediate Notice pursuant to Section 7.5.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written

Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set forth above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

7.6 Assignment. This ~~Interconnection System Impact~~Cluster Study Agreement shall not be assigned, conveyed or transferred to any third party unless the provisions of Section 4.3 of the LGIP have been satisfied and Transmission Provider consents to such assignment, conveyance or transfer in writing.

7.7 Governing Law. This Agreement was made and entered into in the City of Los Angeles and 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.

7.8 Venue. All litigation arising out of, or relating to this ~~Interconnection System Impact~~Cluster Study Agreement, shall be brought in a court of competent jurisdiction located in Los Angeles County, 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*.

7.9 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this ~~Interconnection System Impact~~Cluster Study Agreement, or with respect to any other matter arising in connection with said agreement, shall not be deemed a waiver with respect to any subsequent default or other mater arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

7.10 Binding Effect. This ~~Interconnection System Impact~~Cluster Study Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors or assigns, subject to Section~~s~~ 4.3 of the LGIP.

7.11 Attorney Fees and Costs. Both Parties agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorney fees and costs.

7.12 Entire Agreement. This Cluster Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This Agreement may be amended only by a written document signed by both Parties.

7.13 ~~This~~Signatures. This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

~~Interconnection System Impact Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This Agreement may be amended only by a written document signed by both Parties.~~

8.0 Termination or Withdrawal. Any request to terminate or withdraw from a study, expressly excepting any request for an extension of time on the ~~Interconnection System Impact~~Cluster Study not to exceed one year from the date that the

Transmission Provider commenced the study, shall be deemed as a withdrawal of the Interconnection Request in accordance with Section 3.~~6~~ 7 of the LGIP.

9.0 Term of Agreement. This agreement shall become effective on the day and year first above written and shall remain in effect for an initial term of one (1) year. The term of this agreement may be extended by mutual agreement of the Parties, provided, however, that in no event shall the total term of this agreement be longer than three (3) years from the day and year first above written.

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.

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

Attachment A to Appendix 3
~~Interconnection System Impact~~
Cluster Study Agreement

ASSUMPTIONS USED IN CONDUCTING
~~INTERCONNECTION SYSTEM IMPACT~~CLUSTER STUDY

The ~~Interconnection System Impact~~Cluster Study will be ~~performed using~~based upon the ~~data provided in Attachment A to Appendix 3 submitted by Interconnection Customer~~information set forth in the Interconnection Request and results of applicable prior Interconnection Studies, subject to any modifications in accordance with Section 4.4 of the LGIP and Section 1.4 of the SGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied~~:~~.

~~Designation of alternative Point(s) of Interconnection and configuration which Transmission Provider will evaluate only if a re-designation is required, subject to Sections 3.3.4, 7.2 and 7.6 of the LGIP:~~

~~Dynamic data (to be provided by Interconnection Customer) for each generator, governor, exciter, power system stabilizer, wind turbine and/or solar photovoltaic facility must be supplied in GE PSLF format.~~

~~[The above~~
[Above assumptions ~~are~~ to be completed by Interconnection Customer, and ~~any~~ other assumptions ~~that might~~to be provided by Interconnection Customer and~~/or~~ Transmission Provider ~~should be listed in the space below~~]

~~A System Impact Study will consist of power flow and transient analysis, and a short-circuit analysis. Each of these studies will be conducted and evaluated in accordance with the data provided in Appendix 1 and provisions as set forth in Appendix 3 of the LGIP.~~

~~Power Flow and Transient Studies will be performed using the latest General Electric (GE) PSLF program in line with WECC base cases.~~

~~Short-Circuit Study will be conducted using ASPEN software.~~

]

Note: All information below shall be considered preliminary at this time as it is subject to detailed design and verification later

1. **One-line Diagram/Configuration Layout of Interconnection Customer's Facility:**
   (To be provided by the Interconnection Customer)

2. **Interconnection Transmission Line Description**

Interconnection Line	R1 p.u. on 100 MVA base	X1 p.u on 100 MVA base	B p.u on 100 MVA base	R0 p.u on 100 MVA base	X0 p.u. on 100 MVA base

Interconnection Line	Length (mi.)	Conductor Type & Size	Normal Rating (MVA)	Emergency Rating (MVA)

R1, X1, B = positive sequence ,

R0, X0 = zero sequence

3. ~~Collector Substation~~Generator Step Up Transformer~~(s)~~ Equivalent

- Transformer winding vector group connection diagrams (ex: **D-Y, Y-D, Y-Y, Y-D-Y**);
- Neutral grounding impedance(s) if applied (ohms)

Transformer Name	Xfmr Rating (MVA)	R1 Pri. to Sec. on 100 MVA base	X1 Pri. to Sec. on 100 MVA base	R1 Pri. to tert. on 100 MVA base*	X1 Sec. to tert. on 100 MVA base*	R1 Sec. to tert. on 100 MVA base*	X1 Sec. to tert. on 100 MVA base*	Tertiary Winding Voltage*
		R0 Pri. to Sec. on 100 MVA base**	X0 Pri. to Sec. on 100 MVA base**	R0 Pri. to tert. on 100 MVA base*	X0 Pri. to tert. on 100 MVA base*	R0 Sec. to tert. on 100 MVA base*	X0 Sec. to tert. on 100 MVA base*	
	Vnorm (from)	Vnorm (to)	Tap (from)	Tap (to)	Variable Tap	Tap (max)	Tap (min)	Tap Step size

*** transformer tertiary winding (if applicable)**
**** with delta tertiary in service (if applicable)**
R1, X1 = positive sequence, R0, X0 = zero sequence

4. Collector System Cable Equivalent Impedance (one line for each collector feeder)

R1 p.u. on 100 MVA base	X1 p.u. on 100 MVA base	B p.u on 100 MVA base	R0 p.u on 100 MVA base	X0 p.u. on 100 MVA base	Rating (MVA) Cont. & Emergency

5. ~~Generator Step Up Transformer Equivalent~~ Collector Substation Transformers

- Transformer winding vector group connection diagrams
  (ex: D-Y, Y-D, Y-Y)
- Neutral grounding impedance(s) if applied (ohms and winding(s))

Transformer Name	TransformerRating (MVA)	R1 p.u. on 100 MVA base	X1 p.u. on 100 MVA base	R0 p.u. on 100 MVA base	X0 p.u. on 100 MVA base			
	Vnorm (from)	**Vnorm (to)**	**Tap (from)**	**Tap (to)**	**Variable Tap**	**Tap (max)**	**Tap (min)**	**Tap Step Size**

6. Generator Equivalent

Unit	Rated voltage (kV)	Rated power (MVA)	X''1 on 100 MVA Base (pu)	X"2 on 100 MVA Base (pu)	X"0 on 100 MVA Base (pu)	Pmax MW	Pmin MW	Qmax MVars	Qmin MVars	Regulated Bus
In the case of power electronic sources, steady state current limit for short circuit currents (A at rated voltage)										
			-	-	-					

***Qmax indicated is indicative of maximum reactive capability at Pmax**

X"1 = Positive Sequence (first cycle),
X"2 = Negative Sequence (first cycle)
X'0 = Zero Sequence (includes any neutral grounding impedance if applied)

7. Plant-level Reactive Power Compensation

Shunt Capacitor Power Compensation	Size (MVAR)

Shunt Reactor Power Compensation	**Size (MVAR)**

8. **Dynamic Data** (To be provided by the requestor)

All the appropriate dynamic data for each generator, governor, exciter, power system stabilizer, and/or wind turbine, photo-voltaic, and energy storage must be supplied in the GE PSLF format.

The dynamic model data provided shall be a WECC approved model.

9. Additional Data for Harmonic Study

- Inverter specification (Electrical Characteristics) sheet
- Harmonic Frequency Spectrum of the inverter ~~(preferably up to the 50th harmonic)~~
- ~~Solar array block detail~~
  - ~~i. Skid configuration~~
- ~~PV module specifications (Electrical characteristics) sheet~~
- ~~AC and DC cable length, rating, and type~~
- ~~Solar panel PSCAD model if available~~

- Main Transformer MVA rating under normal operating conditions

APPENDIX 4 to LGIP
INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT ~~("Agreement")~~ is made and entered into this___day of _____, 20__ by and between _____, a ~~limited liability company~~_____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") 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 ("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, Transmission Provider has completed ~~an Interconnection System Impact Study (the "System Impact Study")~~a 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 ~~Interconnection System Impact~~Cluster Study in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause an Interconnection Facilities Study consistent with Section 8.0 of this LGIP to be performed in accordance with the Tariff and any associated Business Practices.

2.1 Interconnection Customer shall provide (a) a demonstration of Site Control and (b) a Readiness Milestone Option or additional financial security payment in accordance with Section 8.1 of the LGIP.

3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.

4.0 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~~/fault duty~~, instability, power flow~~, reactive margin and, if required by Transmission Provider, harmonics and sub-synchronous resonance (SSR)~~ issues identified in the ~~Interconnection System Impact~~Cluster Study ~~and harmonics study.~~

~~5.0 Any remaining balance from~~ , as applicable, consistent with the type of Interconnection ~~Customer's initial deposit of $250,000 shall be used towards the performance of the Interconnection Facilities Study. If the remaining balance from the initial deposit is insufficient to cover all of the costs and expenses associated with the Interconnection Facilities Study, then the Transmission Provider shall invoice the Interconnection Customer for the difference between the remaining balance and Transmission Provider's good faith estimate and Interconnection Customer shall submit payment within thirty (30) Calendar Days. If Transmission Provider does not receive payment for the estimated balance from Interconnection Customer as required, the Interconnection Customer shall have the time prescribed in Section 3.6 of the LGIP to cure non-payment; provided that, if Interconnection Customer fails to cure its non-payment, Interconnection Customer's Interconnection Request shall be treated by Transmission Provider as withdrawn in accordance with Section 3.6 of the LGIP and Interconnection Customer shall be deemed in default of this Agreement. The time for completion of the Interconnection Facilities Study is specified in Attachment A~~Service requested.

~~Transmission Provider's good faith cost estimate is $100,000. If the good faith estimate provided by the Transmission Provider is less than~~ 5.0 Interconnection Customer shall pay the actual costs of the Interconnection Facilities Study ~~and Interconnection Customer's remaining balance~~. The time for completion of ~~its initial deposit is insufficient to cover all estimated or actual costs, then the~~ the Interconnection Facilities Study is specified in Attachment A.

Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice~~, subject~~. Transmission Provider shall continue to hold the ~~same terms and conditions set forth in~~ amounts on deposit until settlement of the ~~above paragraph of this Section 5.0~~final invoice.

~~Upon receipt of the executed Interconnection Facilities Study Agreement from Interconnection Customer, Transmission Provider shall deduct the estimated cost of the study against any remaining balance of Interconnection Customer's initial deposit and Interconnection Customer shall pay the actual costs of the Interconnection Facilities Study from its initial deposit; provided that, if the balance of Interconnection Customer's initial deposit is not sufficient to cover the actual costs of the study, Interconnection Customers shall pay for any study cost including re-study(ies) in accordance with the provisions of this Section 5.0.~~

6.0 Miscellaneous Provisions.

6.1 Indemnification. The Parties shall at all times indemnify, defend, and hold harmless the other Parties, their respective officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, ~~without limitation, business interruption, impairment of contract,~~ death, bodily injury or personal injury to any person, damage or destruction ~~or loss of use to or of~~to any property (financial, physical, or intellectual) by or to third parties (collectively, "Losses") arising by reason of or incident to or directly or indirectly related to the other Party's acts, errors or omissions, performance or non-performance or Breach of any of their obligations of or under this

Agreement, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

6.2 Accuracy of Information. The Interconnection Customer represents and warrants that, to the best of its knowledge and in accordance with Good Utility Practice, the information that it provides to the Transmission Provider in connection with this Interconnection Facilities Study Agreement and the Interconnection Facilities Study is accurate and complete. The Interconnection Customer acknowledges and accepts that it has a continuing obligation under this Interconnection Facilities Study Agreement to promptly provide the Transmission Provider with any additional information required to update the information previously provided within no less two (2) Business Days.

6.3 Disclaimer of Warranty; Limitation of Liability and Release. In performing or causing the Interconnection Facilities Study to be performed, the Transmission Provider may rely on the information provided by the Interconnection Customer and third parties, which Transmission Provider may not have any control over the veracity or accuracy of such information. For data, information and other studies submitted by the Interconnection Customer or obtained from third parties or industry sources, TRANSMISSION PROVIDER ~~HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE ELECTRIC INDUSTRY, OR OTHERWISE, INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.~~ SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

~~FURTHERMORE, TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY~~

~~CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.~~

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR ~~COMMOM~~ COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

Upon execution of this Interconnection Facilities Study Agreement, the Interconnection Customer acknowledges and accepts that it has not relied on any representations or warranties not specifically set forth herein.

6.4 Representations and Warranties. ~~The Interconnection Customer represents and warrants that it is free to enter into this Agreement and to perform each of the terms and covenants of it. The Interconnection Customer further represents and warrants that it is not restricted or prohibited contractually or otherwise, from entering into and performing this Agreement, and that the execution and performance of this Agreement by Interconnection Customer will not constitute a violation or breach of any~~

~~other agreement between it and any other person or entity.~~Each Party makes the following representations, warranties and covenants:

~~6.5 Force Majeure. If a Force Majeure Event prevents the Transmission Provider from fulfilling any obligations under this Interconnection Facilities Study Agreement, Transmission Provider shall promptly notify the Interconnection Customer in writing, and shall suspend or modify its performance under said agreement until the Force Majeure Event, to the extent that the effect of the Force Majeure Event cannot be mitigated by use of Good Utility Practice or commercially reasonable efforts. For purposes of this Interconnection Facilities Study Agreement, a "Force Majeure Event" means any event or circumstance caused by reason of Force Majeure that prevents or delays Transmission Provider's performance under this Agreement which (a) is beyond the reasonable control of the Transmission Provider and (b) was unable to be prevented or provided against by exercising Good Utility Practice or commercially reasonable efforts. In the event that the Transmission Provider suspended its performance, it shall resume its obligations under this Interconnection Facilities Study Agreement as soon as reasonably possible upon resolution of the Force Majeure Event. In the event that the Parties mutually agree to modify Transmission Provider's performance as a result of the Force Majeure Event, this Interconnection Facilities~~ 6.4.1 Good Standing. Such Party is duly organized, validly existing and, in the case of the Interconnection Customer, in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located**;** and that it has legal 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.

6.4.2 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), and, in the case of the Transmission Provider, the limitations on legal remedies against municipal corporations in the State of California.

6.4.3 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.

6.4.4 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.

6.5 Force Majeure.

6.5.1 A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence (which does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to the additional requirement of a Force Majeure Written Notice set forth in Section 6.5.2.

6.5.2 A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall provide the Force Majeure Immediate Notice pursuant to

Section 6.5.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set forth above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

~~**Study Agreement** shall be modified in accordance with Section 6.12 herein.~~

6.6 Assignment. This Interconnection Facilities Study Agreement shall not be assigned, conveyed or transferred to any third party unless the provisions of Section 4.3 of the LGIP have been satisfied and Transmission Provider consents to such assignment, conveyance or transfer in writing.

6.7 Governing Law. This Agreement was made and entered into in the City of Los Angeles and 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.

6.8 Venue. All litigation arising out of, or relating to this Interconnection Facilities Study Agreement, shall be brought in a court of competent jurisdiction located in Los Angeles County, 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.*

6.9 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this Interconnection Facilities Study Agreement, or with respect to any other matter arising in connection with said agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

6.10 Binding Effect. This Interconnection Facilities Study Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors or assigns, subject to Section 4.3 of the LGIP.

6.11 Attorney Fees and Costs. Both Parties agree that in any action to enforce the terms of this agreement that each Party shall be responsible for its own attorney fees and costs.

6.12 Entire Agreement. This Interconnection Facilities Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This agreement may be amended only by a written document signed by both Parties.

6.13 Signatures. This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

7.0 Termination or Withdrawal. Any request to terminate or withdraw from a study, expressly excepting any request for an extension of time on the Interconnection Facilities Study not to exceed one year from the date that the Transmission Provider commenced the study, shall be deemed as a withdrawal of the Interconnection Request in accordance with Section 3.~~6~~ 7 of the LGIP.

8.0 Term of Agreement. This agreement shall become effective on the day and year first above written and shall remain in effect for an initial term of one (1) year. The term of this agreement may be extended by mutual agreement of the Parties, provided, however, that in no event shall the total term of this agreement be longer than three (3) years from the day and year first above written.

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.

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

By: _____

Title: _____

Date: _____

INTERCONNECTION CUSTOMER

By: _____

Title: _____

Date: _____

Attachment A to Appendix 4
Interconnection Facilities
Study Agreement

INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR CONDUCTING THE INTERCONNECTION FACILITIES STUDY

Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after of receipt of an executed copy of this Interconnection Facilities Study Agreement:

- ~~one hundred twenty (120~~ - ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report, or

- one hundred eighty (180) Calendar Days with no more than a +/- 10 percent cost estimate contained in the report.

~~Notwithstanding any margin of error identified above for any cost estimate, Interconnection Customer shall be responsible for any and all cost related or connected to the Interconnection Request, Transmission Provider's Interconnection Facilities and necessary upgrades, Common Facilities, and Interconnection Customer's Interconnection Facilities.~~

Attachment B to Appendix 4
Interconnection Facilities
Study Agreement

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, etc.

One set of metering is required for each generation connection to the new ring bus 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 location of auxiliary power. (Minimum load on CT/PT) Amps

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, control equipment, and/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:

_____

Bus 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:

Begin Construction	Date: _____
Generator step-up transformer receives back feed power	Date: _____
Generation Testing	Date: _____
Commercial Operation	Date: _____

APPENDIX 5 to LGIP
~~OPTIONAL~~SURPLUS INTERCONNECTION SERVICE SYSTEM IMPACT STUDY AGREEMENT

THIS AGREEMENT ~~("Agreement")~~ is made and entered into this_____ day of ____, 20___ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") 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 ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, in accordance with a request submitted to the Transmission Provider on _____Interconnection Customer is proposing to ~~develop~~ utilize Surplus Interconnection Service associated with a Large Generating Facility ~~or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by~~operating under an LGIA between _____("Original Interconnection Customer") and Transmission Provider dated~~_____;_____;~~

WHEREAS, Interconnection Customer ~~is proposing to establish an interconnection~~desires to utilize Surplus Interconnection Service of an existing Generating Facility interconnected with the Transmission System; and

WHEREAS, Interconnection Customer has ~~submitted~~requested Transmission Provider to ~~Transmission Provider an Interconnection Request; and~~

~~**WHEREAS,** on or after the date when~~perform a Surplus Interconnection ~~Customer receives the~~ Service System Impact Study to assess the impact of utilization of Surplus Interconnection ~~System Impact Study results, Interconnection Customer has further requested that Transmission Provider prepare an Optional Interconnection Study;~~Service on the Transmission System, and any Affected Systems.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause ~~an Optional~~to be performed a Surplus Interconnection Service System Impact Study consistent with Section ~~10.0~~3 of this LGIP ~~to be performed in accordance with the Tariff~~and any associated Business Practices as posted on Transmission Provider on its OASIS site.

3.0 The scope of the ~~Optional~~Surplus Interconnection Service System Impact Study shall be subject to the assumptions ~~provided by Interconnection Customer to be attached to this Agreement as Attachment A.~~

~~4.0 The Optional Interconnection Study shall be performed solely for informational purposes.~~

~~5.0 The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by Interconnection Customer~~ set forth in Attachment A to this Agreement. ~~The Optional Interconnection Study will identify Transmission Provider's Interconnection Facilities, Common 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 its Attachment A.~~

~~6.0 Interconnection Customer shall provide a deposit of $10,000 for the performance of the Optional~~ 4.0 The Surplus Interconnection Service System Impact Study will be performed based on the requirements of Section 3 of Transmission Provider's LGIP and the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 4.4 of the 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 Surplus Interconnection Service System Impact Study. If Interconnection Customer modifies its Interconnection Request, or the technical information provided therein is modified, the time to complete the Surplus Interconnection Service System Impact Study may be extended.

5.0 The Surplus Interconnection ~~Study.~~Service System Impact 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.

6.0 Transmission Provider's good faith estimate for the time of completion of the ~~Optional~~Surplus Interconnection Service System Impact Study is _____, 20_____.

~~Upon receipt of the Optional~~ Interconnection Customer's deposit for the Surplus Interconnection Service System Impact Study~~,~~ shall be the same $10,000 provided by the Interconnection Customer as part of the Surplus Interconnection Service Request.

Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the ~~Optional~~Surplus Interconnection Service System Impact 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.

7.0 Miscellaneous Provisions.

7.1 Indemnification. The ~~Interconnection Customer~~Parties shall at all times indemnify, defend, and hold harmless the ~~Transmission Provider, its~~other Parties, their respective officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, ~~without~~

~~limitation, business interruption,~~ death, bodily injury or personal injury to any person, damage or destruction ~~or loss of use to or of~~to any property (financial, physical, or intellectual) by or to third parties (collectively, "Losses") arising by reason of or incident to or directly or indirectly related to ~~Transmission Provider performing~~the other Party's acts, errors or omissions, performance or non-performance or ~~causing to be performed the Optional Interconnection Study in whole~~ Breach of any of their obligations of or ~~in part~~ under this Agreement ~~on behalf of the Interconnection Customer~~, except in cases of gross negligence or intentional wrongdoing by the ~~Transmission Provider~~indemnified Party.

7.2 Accuracy of Information. The Interconnection Customer represents and warrants that, to the best of its knowledge and in accordance with Good Utility Practice, the information that it provides to the Transmission Provider in connection with this ~~Optional~~Surplus Interconnection Service System Impact Study Agreement and the ~~Interconnection System Impact~~Cluster Study is accurate and complete. The Interconnection Customer acknowledges and accepts that it has a continuing obligation under this Surplus Interconnection Service System Impact Study Agreement to promptly provide the Transmission Provider with any additional information required to update the information previously provided within no less than forty-eight (48) hours.

7.3 Disclaimer of Warranty; Limitation of Liability and Release. In performing or causing the ~~Optional~~Surplus Interconnection System Impact Study to be performed, the Transmission Provider may rely on the information provided by the Interconnection Customer and third parties, which Transmission Provider may not have any control over the veracity or accuracy of such information. For data, information and other studies submitted by the Interconnection Customer or obtained from third parties or industry sources, TRANSMISSION PROVIDER ~~HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE ELECTRIC INDUSTRY, OR OTHERWISE, INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.~~ SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW

OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

~~FURTHERMORE, TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.~~

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED ~~THIS~~HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON~~M~~ LAW PRINCIPLES OF SIMILAR EFFECT.

Upon execution of this ~~Optional~~Surplus Interconnection System Impact Study Agreement, the Interconnection Customer acknowledges and

accepts that it has not relied on any representations or warranties not specifically set forth herein.

7.4 Representations and Warranties. ~~The~~ Each Party makes the following representations, warranties and covenants:

7.4.1 Good Standing. Such Party is duly organized, validly existing and, in the case of the Interconnection Customer ~~represents and warrants~~, in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is ~~free~~qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located**;** and that it has legal power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and ~~to~~ carry out the transactions contemplated hereby and perform ~~each of the terms and covenants of it. The Interconnection Customer further represents and warrants that it is not restricted or prohibited contractually or otherwise, from entering into and performing~~and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement~~, and that the~~ .

7.4.2 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), and, in the case of the Transmission Provider, the limitations on legal remedies against municipal corporations in the State of California.

7.4.3 No Conflict. The execution, delivery and performance of this Agreement ~~by Interconnection Customer will not constitute a violation or breach of any other agreement between it and any other person or entity~~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.

~~7.5 Force Majeure. If a Force Majeure Event prevents the Transmission Provider from fulfilling any obligations under this Optional Interconnection Study Agreement, Transmission Provider shall promptly notify the Interconnection Customer in writing, and shall suspend or modify its performance under said agreement until the Force Majeure Event, to the extent that the effect of the Force Majeure Event cannot be mitigated by use of Good Utility Practice or commercially reasonable efforts. For purposes of this Optional Interconnection Study Agreement, a "Force Majeure Event" means any event or circumstance caused by reason of Force Majeure that prevents or delays Transmission Provider's performance under this Agreement which (a) is beyond the reasonable control of the Transmission Provider and (b) was unable to be prevented or provided against by exercising Good Utility Practice or commercially reasonable efforts. In the event that the Transmission Provider suspended its performance, it shall resume its obligations under this Optional Interconnection Study Agreement as soon as reasonably possible upon resolution of the Force Majeure Event. In the event that the Parties mutually agree to modify Transmission Provider's performance as a result of the Force Majeure Event, this Optional Interconnection Study Agreement shall be modified in accordance with Section 7.12 herein.~~

7.4.4 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.

7.5 Force Majeure.

7.5.1 A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence (which does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other

labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to the additional requirement of a Force Majeure Written Notice set forth in Section 7.5.2.

7.5.2 A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall provide the Force Majeure Immediate Notice pursuant to Section 7.5.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set forth above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

7.6 Assignment. This ~~Optional~~Surplus Interconnection System Impact Study Agreement shall not be assigned, conveyed or transferred to any third party unless the provisions of Section 4.3 of the LGIP have been satisfied and Transmission Provider consents to such assignment, conveyance or transfer in writing.

7.7 Governing Law. This Agreement was made and entered into in the City of Los Angeles and 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.

7.8 Venue. All litigation arising out of, or relating to this ~~Optional~~Surplus Interconnection System Impact Study Agreement, shall be brought in a court of competent jurisdiction located in Los Angeles County, 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.*

7.9 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this ~~Optional~~Surplus Interconnection System Impact Study Agreement, or with respect to any other matter arising in connection with said agreement, shall not be deemed a waiver with respect to any subsequent default or other mater arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

7.10 Binding Effect. This ~~Optional~~Surplus Interconnection System Impact Study Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors or assigns, subject to Section~~s~~ 4.3 of the LGIP.

7.11 Attorney Fees and Costs. Both Parties agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorney fees and costs.

7.12 Entire Agreement. ~~This Optional Interconnection~~This Surplus ~~Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This Agreement may be amended only by a written document signed by both Parties.~~

Interconnection System Impact Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the

subject matter herein. This Agreement may be amended only by a written document signed by both Parties.

7.13 Signatures. This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

8.0 Term of Agreement. This agreement shall become effective on the day and year first above written and shall remain in effect for an initial term of one (1) year. The term of this agreement may be extended by mutual agreement of the Parties, provided, however, that in no event shall the total term of this agreement be longer than three (3) years from the day and year first above written.

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.

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

OATT Effective [Insert]

Date: _____

Attachment A To Appendix 5
Surplus Interconnection Service System Impact Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE SURPLUS INTERCONNECTION SERVICE SYSTEM IMPACT STUDY

The Surplus Interconnection Service System Impact Study will be based upon the results of the Original Interconnection Customer's system impact study (if any) or Cluster Study, and the following assumptions:

Existing Point of Interconnection of Original Interconnection Customer:

Note: For Surplus Interconnection Service requests, the request cannot exceed the type of Interconnection Service already provided by the Original Interconnection Customer's LGIA.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

APPENDIX 6 TO LGIP

~~FORM~~ LARGE GENERATOR INTERCONNECTION AGREEMENT

APPENDIX 7 TO LGIP

INTERCONNECTION PROCEDURES FOR A ~~WIND~~

NON-SYNCHRONOUS GENERATING ~~PLANT OR SOLAR GENERATING~~

~~PLANT~~FACILITY

This appendix sets forth procedures specific to ~~a wind~~all Non-Synchronous generating ~~plant or to a solar generating plant.~~facilities. All other requirements of this LGIP continue to apply to interconnections of ~~a wind generating plant or solar generating plant.~~Non-Synchronous facilities

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 the 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 System Impact Study.~~

~~B. Special Procedures Applicable to Solar Power~~Non-Synchronous Generation Facilities

The ~~solar plant~~ Interconnection Customer, in completing the Interconnection Request required by section 3.3 of this LGIP, may provide to the Transmission Provider a set of preliminary electrical design specifications depicting the Non-Synchronous generating facility ~~solar plant as a single equivalent inverter-based solar power generation~~ in terms of its megawatt output (MW or real power). Upon satisfying these and other applicable Interconnection Request conditions, the Non-Synchronous generating facility ~~solar power 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 ~~solar power plant~~ Interconnection Customer must submit the following: (i) completed detailed electrical design specifications; (ii) a WECC approved standard study model (standard model) if available. If the standard model for a given ~~solar generation~~ technology is not yet available, then the Interconnection Customer can provide vendor-specific, user-written or an equivalent model with a source code algorithm in General Electric's Engineer Programming Control Language (EPCL) that can be compiled at run time by Power System Load Flow (PSLF) platform's internal compiler; however, once a standard model becomes available, the Interconnection Customer should begin furnishing such standard model; and (iii) other data (including collector system layout data) needed to allow the Transmission Provider to complete the ~~System Impact Study.~~Cluster Study. If Non-Synchronous facility uses momentary cessation, considerations should be made to eliminate momentary cessation. If eliminating momentary cessation is not a feasible solution the model submitted must reasonably represent the momentary cessation according to WECC and NERC guidelines. Interconnection customer shall provide a model that reasonably represent the facility according to WECC guidelines 90 days prior to in service date and an "as-built" model for Non-Synchronous facility prior to Commercial Operation Date.

Attachment A to Appendix 7
Interconnection Data for
~~Solar Photovoltaic~~Non-Synchronous Generating Plants

Solar Photovoltaic (PV) Specifications

Technologies: ___Thin Film PV ___Monocrystalline PV ___Polycrystalline PV ___Other (Specify below)

_____

Manufacturer, Model Name, and Number_____
Total Number of PV Panels _____
Rated Maximum Power Output (kW) _____Summer _____Winter
Nominal Voltage (DC) _____V

Wind Specifications

Technologies: ___Type I ___Type II ___Type III ___Type IV
Other (Specify below)

_____

Manufacturer, Model Name, and Number_____
Total Number of turbines _____
Rated Maximum Power Output (kW) _____Summer _____Winter
Nominal Voltage (DC) _____V

Energy Storage Specifications

Technologies: _____
Duration _____hrs
If Project is PV and Storage: DC Coupled___ AC Coupled_____
Rated Maximum Power Output (kW) _____Summer _____Winter
Nominal Voltage (DC) _____V

Inverter Specifications

Manufacturer, Model Name, and Number_____
Version Number_____
Total Number of Inverters _____
Voltage (DC) Input Range _____V
Maximum Voc (DC) _____V
Number of Phases _____
AC Voltage Range _____V
Maximum Output Current per Phase _____A
Maximum Continuous Output Power _____kW
Nominal Output Frequency _____Hz
Power Factor _____
Total Harmonic Distortion (THD) _____%
Momentary Cessation used _____
High Voltage Momentary Cessation threshold _____pu
Low Voltage Momentary Cessation threshold _____pu
Time delay before inverter begins injecting current after momentary cessation, once the voltage has returned to within the momentary cessation voltage threshold
_____(milliseconds)
Ramp rate when recovering from momentary cessation _____(%nameplate rating/sec)

High-Voltage Ride-Through (HVRT)		Low-Voltage Ride-Through (LVRT)	
Voltage (pu)	Time Delay (sec)	Voltage (pu)	Time Delay (sec)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

High-Frequency Ride-Through (HFRT)		Low-Frequency Ride-Through (LFRT)	
Frequency (Hz)	Time Delay (sec)	Frequency (Hz)	Time Delay (sec)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

Isolation Transformer Specifications

Low Side and High Side Voltages _____/_____kV
MVA Base _____MVA Continuous Rating _____MVA
Emergency Rating _____MVA Reactance _____% or _____ p.u
Transformer Connection _____ Number of Transformers _____

Equipment Certifications

List the above components of the Solar Facility that are currently certified:

Equipment Type	Certifying Entity
1._____	_____
2._____	_____
3._____	_____

Certification and Standards

1. IEEE Std 519-~~1992~~2014, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems.
2. UL 1703 Standard for Safety, Flat-Plate Photovoltaic Modules and Panels
3. UL 1741 Standard for Inverters, Converters, and Controllers for Use in Independent Power Systems
4. IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV) Systems.

Appendix 6 to the Large Generator Interconnection Procedures

FORM OF LARGE GENERATOR

INTERCONNECTION AGREEMENT (LGIA)

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LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS LARGE GENERATOR INTERCONNECTION AGREEMENT ("Agreement") is made and entered into this ____ day of _____ 20__, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), and the Department of Water and Power of the City of Los Angeles, a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California ("Transmission Provider" and/or "Transmission Owner"). Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

Recitals:

WHEREAS, Transmission Provider operates the Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and,

WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility with the Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Open Access Transmission Tariff ("Tariff").

Article 1~~.~~: Definitions

~~**In addition to the other terms defined within this LGIA, the following terms, whether in the singular or plural, when used herein and in the appendices attached to this Large Generator Interconnection Agreement and initially capitalized, shall have the meanings specified below:**~~

~~~~**Adverse System Impact** ~~**shall**~~**:**

Shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System ~~**shall**~~**:**

Shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator ~~**shall**~~**:**

Shall mean the entity that operates an Affected System.

Affiliate ~~**shall**~~**:**

Shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Ancillary Services ~~**shall**~~**:**

Shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations ~~**shall**~~**:**

Shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.
~~~~

Applicable Reliability Council ~~shall~~:

Shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards ~~shall~~:

Shall mean the ~~standards,~~ requirements~~, criteria~~ and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case ~~shall~~:

Shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach ~~shall~~:

Shall mean the failure of a Party to perform or observe any material term or condition of the Large Generator Interconnection Agreement.

Breaching Party ~~shall~~:

Shall mean a Party that is in Breach of the Large Generator Interconnection Agreement.

Business Day ~~shall~~:

Shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day ~~shall~~:

Shall mean any day including Saturday, Sunday or a Federal Holiday.

~~**Capital Expenses** is defined in Article 9.9.2 of this Agreement.~~

~~**Capital Improvements** shall mean any unit of property added to the Transmission Provider's Interconnection Facilities, the enlargement or betterment of any unit of property constituting a part of the Transmission Provider's Interconnection Facilities, and the replacement of any unit of property constituting~~

~~a part of the Transmission Provider's Interconnection Facilities, irrespective of whether such replacement constitutes an enlargement or betterment of that which it replaces, which such additions, betterments and replacement in accordance with standard accounting practices used by the Transmission Provider would be capitalized.~~

Cluster:

Shall mean a group of Interconnection Requests (one or more) that are studied together for the purpose of conducting the Cluster Study.

Cluster Area:

Shall mean the areas of the Transmission Provider's Transmission System that are included together in a Cluster, as described further in Section 7.4 of the LGIP.

Cluster Request Window:

Shall have the meaning set forth in Section 4.2.1 of the LGIP.

Cluster Re-Study:

Shall mean a re-study of a Cluster Study conducted pursuant to Section 7.4 of the LGIP.

Cluster Re-Study Report:

Shall mean the report issued following completion of a Cluster Re-Study pursuant to Section 7.5 of the LGIP.

Cluster Re-Study Meeting:

Shall mean the meeting held to discuss the results of a Cluster Re-Study pursuant to Section 7.5 of the LGIP.

Cluster Study:

Shall mean an Interconnection Study evaluating one or more Interconnection Requests within a Cluster, as described in more detail in Section 7.4 of the LGIP.

Cluster Study Agreement:

Shall mean the form of agreement contained in Appendix 3 to the Large Interconnection Procedures for conducting the Cluster Study.

Cluster Study Report:

Shall mean the report issued following completion of a Cluster Study pursuant to Section 7.4 of the LGIP.

Cluster Study Report Meeting:

Shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7.4 of the LGIP.

Clustering ~~shall~~:

Shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, ~~for the purpose of conducting the Interconnection System Impact Study~~as described in more detail in Section 7 of the LGIP.

Commercial Operation ~~shall~~:

Shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date ~~of~~:

Of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Large Generator Interconnection Agreement.

~~**Common Facilities** shall mean those certain facilities described in Exhibit 1 of Appendix H to the Large Generator Interconnection Agreement.~~

~~**Common Facilities Use Fee** shall mean the one-time payment by Interconnection Customer for the non-exclusive use and benefit of the Common Facilities, as described in Appendix H to the Large Generator Interconnection Agreement.~~

Confidential Information ~~shall~~:

Shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, ~~including any competitively sensitive, commercial or financial information,~~ which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Control Area ~~shall~~:

Shall mean ~~the collection~~an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation~~, transmission, and loads within the metered boundaries~~ to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the ~~Balancing Authority. The~~interconnection. A Control Area ~~Operator maintains load-resource balance within this area~~must be certified by the Applicable Reliability Council.

~~**Control Area Operator** shall mean the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Control Area, and supports Interconnection frequency in real time.~~

~~**Critical Energy Infrastructure Information or CEII** shall mean specific engineering, vulnerability, or detailed design information about proposed or existing Critical Infrastructure that: (i) relates details about the production, generation, transportation, transmission, or distribution of energy; (ii) could be useful to a person in planning an attack on Critical Infrastructure; (iii) is exempt from mandatory disclosure under the Freedom of Information Act, 5 U.S.C. § 552; and (iv) does not simply give the general location of the Critical Infrastructure.~~

~~**Critical Infrastructure** shall mean existing and proposed systems and assets, whether physical or virtual, the incapacity or destruction of which would negatively affect security, economic security, public health or safety, or any combination of those matters.~~

~~**Default shall:**~~

Shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Large Generator Interconnection Agreement.

Dispute Resolution ~~shall~~:

Shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis~~, as set forth in Article 27 herein~~.

Distribution System ~~shall~~:

Shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades ~~shall~~:

Shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the ~~Transmission Service~~transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date ~~shall~~:

Shall mean the date on which the Large Generator Interconnection Agreement becomes effective upon execution by the Parties.

Emergency Condition ~~shall~~:

Shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, ~~reliability of,~~ or damage to, Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service ~~shall~~:

Shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or non-firm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey ~~Transmission Service~~transmission service.

Engineering & Procurement (E&P) Agreement ~~shall~~:

Shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law ~~shall~~:

Shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act ~~shall~~:

Shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC ~~shall~~:

Shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Force Majeure ~~shall~~:

Shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, or any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility ~~shall~~:

Shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity ~~shall~~:

Shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice ~~shall~~:

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. ~~For purposes of clarification, the term "Good Utility Practice" shall include compliance with Applicable Reliability Standards.~~

Governmental Authority ~~shall~~:

Shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer ~~or any Affiliate thereof~~, Transmission Provider, or any Affiliate thereof. In this context Transmission Provider does not include the City of Los Angeles or the Board of Water and Power Commissioners. Transmission Provider only includes the Department of Water and Power.

Hazardous Substances ~~shall~~:

Shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar

meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Informational Interconnection Study:

Shall mean an analysis based on assumptions specified by Interconnection Customer in the Informational Interconnection Study Agreement and conducted pursuant to Section 6 of the LGIP.

Informational Interconnection Study Agreement:

Shall mean the form of agreement contained in Appendix 2A to the Large Generator Interconnection Procedures for conducting the Informational Interconnection Study.

Informational Interconnection Study Request:

Shall mean an Interconnection Customer's request in the form of Appendix 2 to the Large Generator Interconnection Procedures.

Initial Synchronization Date ~~shall~~:

Shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date ~~shall~~:

Shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer ~~shall~~:

Shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System. For purposes of the Transmission Provider's Cluster Study process conducted pursuant to Section 7 of the LGIP, and except as modified by Section 3 of Attachment N of the Transmission Provider's Tariff, "Interconnection Customer" shall also mean any Small Generating Facility that is participating in a Cluster.

Interconnection Customer's Interconnection Facilities ~~(or ICIF) shall~~:

Shall mean all facilities and equipment, as identified in Appendix A of the Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities ~~shall~~:

Shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades. Interconnection Facilities may be shared by more than one Generating Facility in a Cluster.

Interconnection Facilities Study ~~shall~~:

Shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the ~~Interconnection System Impact~~Cluster Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement ~~shall~~:

Shall mean the form of agreement contained in Appendix 4 of the Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

~~**Interconnection Feasibility Study** shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission Provider's Transmission System, the scope of which is described in Section 6 of the Large Generator Interconnection Procedures.~~

~~**Interconnection Feasibility Study Agreement** shall mean the form of agreement contained in Appendix 2 of the Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.~~

Interconnection Request ~~**shall**~~**:**

Shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Large Generator Interconnection Procedures, ~~subject to the Transmission Provider's~~in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System. For purposes of the Transmission Provider's Cluster Study process conducted pursuant to Section 7 of the LGIP, and except as modified by Section 1.3 of Attachment N of the Transmission Provider's Tariff, "Interconnection Request" shall also mean any interconnection request from a Small Generating Facility that is participating in a Cluster.

Interconnection Service ~~**shall**~~**:**

Shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Large Generator Interconnection Agreement and, ~~subject to~~if applicable, the Transmission Provider's Tariff.

Interconnection Study ~~**shall**~~**:**

Shall mean any of the following studies: the Informational Interconnection ~~Feasibility~~ Study, the Cluster Study, Surplus Interconnection Service System Impact Study, and the Interconnection Facilities Study described in the Large Generator Interconnection Procedures.

~~**Interconnection System Impact Study** shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Large Generator Interconnection Procedures.~~

~~**Interconnection System Impact Study Agreement** shall mean the form of agreement contained in Appendix 3 of the Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.~~

~~**IRS shall:**~~

Shall mean the Internal Revenue Service.

Joint Operating Committee ~~shall~~:

Shall be a group made up of representatives from Interconnection Customer and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility ~~shall~~:

Shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

~~**Large Generator Interconnection Agreement (LGIA)** shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff.~~

~~**Large Generator Interconnection Procedure (LGIP)** shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff.~~

~~**Loss shall:**~~

Shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, ~~expert witness and consultant 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 Large Generator Interconnection Agreement on behalf of the ~~indemnifying~~Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the ~~indemnifying~~Indemnifying Party.

Material Modification ~~shall~~:

Shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date ~~or that cause a system impact.~~.

Metering Equipment ~~shall~~:

Shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC ~~shall~~:

Shall mean the North American Electric Reliability Corporation or ~~the~~its successor ~~electric reliability~~ organization.

Network Resource ~~shall~~:

Shall mean any designated generating resource owned, purchased, or leased by a Network Customer under ~~an applicable~~the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service ~~shall~~:

Shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers. Network Resource Interconnection Service in and of itself does not convey ~~Transmission Service~~transmission service.

Network Upgrades ~~shall~~:

Shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute ~~shall~~:

Shall mean a written notice of a dispute or claim that arises out of or in connection with the Large Generator Interconnection Agreement or its performance.

~~**Operating Work** shall mean all work undertaken by the Transmission Provider required for the operation and maintenance of the Interconnection Facilities and Common Facilities including, but not limited to, all planning, engineering, design, acquisition, contract preparation and administration, legal services, regulatory compliance, purchasing, procurement, repair, supervision, training, expediting, inspection, budgeting, procurement and maintenance of insurance, testing, protection, operation, outage scheduling, retirement, maintenance, modification, relocation, preparation of operating procedures and manuals, securing requisite permits, license, approvals and certificates from governmental entities and authorities, and any work undertaken by the Transmission Provider, that is required by this Agreement, Good Utility Practice, or necessary for the safe and reliable operation of the Interconnection Facilities, the Common Facilities, and all associated facilities; any work necessitated by an Emergency; and work undertaken to make any Capital Improvements.~~

~~**Optional Interconnection Study** shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.~~

~~**Optional Interconnection Study Agreement** shall mean the form of agreement contained in Appendix 5 of the Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.~~

Party or Parties ~~shall~~:

Shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership ~~shall~~:

Shall mean the point, as set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

~~**Point of Delivery** shall have the meaning ascribed in the Tariff.~~

~~**Point of Interconnection shall:**~~

Shall mean the point, as set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

~~**Point of Receipt** shall have the meaning ascribed in the Tariff.~~

Provisional Interconnection Service:

Shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement:

Shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position ~~shall~~:

Shall mean 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 the Transmission Provider. For purposes of this definition, Transmission Provider shall consider an Interconnection Request to be valid on the date that the~~ Interconnection Customer ~~has satisfied~~satisfies all of the requirements of ~~Section~~Sections 3~~.3.1 of the Large Generator Interconnection Procedures~~, 4, and 7 of Transmission Provider's LGIP to enter the Cluster Study Process.

Reasonable Efforts ~~shall~~:

Shall mean, with respect to an action required to be attempted or taken by a Party under the Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility

Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Readiness Milestone Options:

Shall mean the options set forth in Section 3.4.1(v) of the LGIP.

Resource Plan:

Shall mean any process authorized or required by Applicable Laws and Regulations for, inter alia, the selection of Generating Facilities.

Resource Solicitation Process:

Shall mean any process authorized or required by Applicable Laws and Regulations for the acquisition of Network Resources.

Scoping Meeting ~~shall~~:

Shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing the proposed interconnection request, alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to ~~impact~~affect such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control ~~shall~~:

Shall mean ~~documentation reasonably demonstrating~~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 ~~for the purpose of constructing~~of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold ~~site for such purpose~~interest in a site of sufficient size to construct and operate the Generating Facility; or (3) ~~an exclusivity or other business relationship between~~any other documentation that clearly demonstrates the right of the Interconnection Customer ~~and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or~~to exclusively occupy a site ~~for such purpose~~of sufficient size to construct and operate the Generating Facility. Site Control for any co-

located project is demonstrated by a contract or other agreement demonstrating shared land use for all co-located projects that meet the aforementioned provisions of this Site Control definition.

Small Generating Facility ~~shall~~:

Shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades ~~shall~~:

Shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Large Generator Interconnection Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

~~**Standards of Conduct** shall mean those standards implemented by Transmission Provider that govern its transmission functions as well as communication of certain information.~~

Surplus Interconnection Service System Impact Study:

Shall mean an engineering study that evaluates the impact of a proposed request for Surplus Interconnection Service on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Large Generator Interconnection Procedures.

Surplus Interconnection Service System Impact Study Agreement:

Shall mean the form of agreement contained in Appendix 5 of the Large Generator Interconnection Procedures for conducting a system impact study for purposes of evaluating a request for Surplus Interconnection Service pursuant to Section 3.3 of the LGIP.

Surplus Interconnection Service:

Shall mean any unneeded portion of Interconnection Service established in a 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 Protection Facilities ~~**shall**~~:

Shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff ~~**shall**~~**:**

Shall mean the Transmission Provider's Tariff through which open access ~~Transmission Service (also known as the Open Access Transmission Tariff or OATT)~~transmission service and Interconnection Service are offered, as amended or supplemented from time to time, or any successor tariff.

~~**Transmission Operator** shall mean the entity that operates or directs the operations of the Transmission System.~~

~~**Transmission Owner** **shall:**~~

Shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider ~~**shall**~~**:**

Shall mean the transmitting utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of ~~electric energy~~electricity in interstate commerce and provides ~~Transmission Service~~transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission Provider's Interconnection Facilities ~~**shall**~~:

Shall mean all facilities and equipment owned, controlled or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Large Generator Interconnection Agreement, ~~which appendix may be updated from time to time,~~ including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades. Transmission Provider's Interconnection Facilities may be shared by more than one Generating Facility in a given Cluster Study.

~~**Transmission Service** shall mean those services provided to the Transmission Customer under the Transmission Provider's Tariff to move energy from a Point of Receipt to a Point of Delivery.~~

~~**Transmission System shall:**~~

Shall mean the ~~alternating current transmission~~ facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide ~~Transmission Service~~transmission service under the Tariff.

Trial Operation ~~**shall:**~~

Shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Variable Energy Resource ~~**shall:**~~

Shall mean a device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

~~**WECC** shall mean the Western Electricity Coordinating Council or its successor.~~

~~**WECC Criteria** shall mean those approved regional standards and Applicable Reliability Standards established and implemented by WECC, as such criteria may change from time to time.~~

Withdrawal Penalty:

Shall have the meaning set forth in Section 3.7.1 of the LGIP.

Article 2~~.~~: Effective Date, Term, and Termination

2.1 Effective Date~~. Subject to Article 5.17.10 clause (ii), this~~:

This LGIA shall become effective upon execution by the Parties.

2.2 Term of Agreement~~. This~~:

Subject to the provisions of Article 2.3, this LGIA shall remain in effect: (i) for a period of ten (10) years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter~~, unless terminated by Transmission Provider or Interconnection Customer pursuant to Article 2.3; or (ii) until the Generating Facility permanently ceases Commercial Operation, subject to Articles 2.4, 2.5 and 2.6~~.

2.3 Termination Procedures~~.~~:

2.3.1 Written Notice~~. ~~:

This LGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice~~.~~ or by Transmission Provider if the Generating Facility permanently ceases Commercial Operation. This LGIA ~~may~~shall be terminated by Transmission Provider if the Generating Facility ~~permanently ceases Commercial Operation~~or a portion of the Generating Facility fails to achieve Commercial Operation by the Commercial Operation Date established in accordance with Section 4.4.5 of the LGIP, including any extension provided thereunder, or, having previously achieved Commercial Operation, has ceased Commercial Operation for three (3) consecutive years, beginning with the last date of Commercial Operation for the Generating Facility, after giving Interconnection Customer ninety (90) Calendar Days advance written notice. When only a portion of the Generating Facility fails to achieve Commercial Operation by the Commercial Operation Date established in accordance with Section 4.4.5 of the LGIP, including any extension provided thereunder, Transmission Provider shall terminate only that portion of the LGIA. Notwithstanding the foregoing, in the limited circumstance that the Interconnection

Request is served by a Contingent Facility with an in-service date that is later than the Commercial Operation Date permitted under Section 4.4.5 of the LGIP, Transmission Provider shall terminate this LGIA only for failure to achieve Commercial Operation by ninety (90) Calendar Days after that later in-service date of the Contingent Facility. The Generating Facility will not be deemed to have ceased Commercial Operation for purposes of this Article 2.3.1 if Interconnection Customer can document that it has taken other significant steps to maintain or restore operational readiness of the Generating Facility for the purpose of returning the Generating Facility to Commercial Operation as soon as possible.

2.3.2 Default~~.~~ :

Either Party~~, as a non-Breaching Party,~~ may terminate this LGIA ~~if the other, as a Breaching Party, fails to cure a Breach~~ in accordance with Article 17.~~1.2.~~

2.3.3 Notwithstanding Articles 2.3.1 and 2.3.2~~, no~~:

No termination shall ~~supersede any rights and obligations set forth in Articles 2.6 and 17.1.2;~~become effective until the Parties ~~shall comply~~have complied with all Applicable Laws and Regulations and satisfy all outstanding obligations incurred prior to and through the noticed date of termination.

2.4 Termination Costs~~. Within sixty (60) Calendar Day prior~~:

If a Party elects to ~~the termination date of this LGIA or as soon as practical, Transmission Provider~~terminate this Agreement pursuant to Article 2.3 above, each Party shall ~~determine each Party's total cost responsibility for terminating and disconnecting the Generating Facility from Transmission Provider's Interconnection Facilities and shall invoice Interconnection Customer for its proportion of~~pay all costs ~~arising from, related to or resulting from the termination of this LGIA and disconnection of the Interconnection Customer's Interconnection Facilities from Transmission Provider's Interconnection Facilities~~ incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party~~). The~~, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages~~,~~ ~~penalties~~ and charges arising as a consequence of termination. Upon termination of this LGIA:

2.4.1:

With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or ~~terminate any~~ contracts for construction of, such facilities ~~and Interconnection Customer shall be liable for any cost or penalty associated with such cancellation, termination or return~~; provided~~, however~~ that, in the event Interconnection Customer elects not to authorize ~~or delays authorization of~~ such cancellation~~, return or termination,~~ Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment ~~to Interconnection Customer,~~ and, if necessary, ~~Transmission Provider shall~~ assign ~~and Interconnection Customer shall assume liability for~~ such contracts to Interconnection Customers as soon as practicable, at Interconnection Customer's expense ~~including any cost or penalties associated with changes in location and delivery terms~~. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return of such materials, equipment, or contracts.

~~Notwithstanding any provision of this Article 2.4,~~If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs ~~and penalties~~ incurred in association with that Interconnection Customer's ~~Interconnection Request and Interconnection Service and termination of Interconnection Service and disconnection of facilities~~interconnection, including any cancellation costs ~~and/or penalties~~ relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2:

Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3:

With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs~~, penalties and liabilities~~ associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection~~.~~ :

Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

2.6 Survival~~.~~ :

This LGIA shall continue in effect after termination to the extent necessary: ~~(i)~~ to provide for final billings and payments and for costs ~~and/or penalties~~ incurred hereunder, including billings and payments pursuant to this LGIA; ~~(ii)~~ to permit the determination and enforcement of liability and indemnification obligations arising from acts~~, omissions~~ or events that occurred while this LGIA was in effect; and ~~(iii)~~ to permit each Party to have access to the lands of the other Party pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3~~. Reserved~~: Regulatory Filings

3.1 Filing:

Transmission Provider shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this LGIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

Article 4~~.~~ : Scope of Service

4.1 Interconnection Product Options~~. At the time the Interconnection Request was submitted,~~ :

Interconnection Customer has selected the following (checked) type of Interconnection Service:

~~.~~4.1.1 Energy Resource Interconnection Service~~.~~ :

4.1.1.1 The Product~~.~~ :

Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive Energy Resource Interconnection Service, Transmission Provider shall construct facilities identified in Attachment A.

4.1.1.2 Transmission Delivery Service Implications~~.~~ :

Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. ~~Under the terms and conditions of this LGIA, no Transmission Service from the Large Generating Facility into or across Transmission Provider's Transmission System is being offered.~~ Where eligible to do so (e.g., PJM, ISO-NE, NYISO), Interconnection Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration

Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, ~~Transmission Service~~transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at such time as a ~~Transmission Service~~transmission service request is made that would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.

4.1.2 Network Resource Interconnection Service~~.~~:

4.1.2.1 The Product~~.~~ :

Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market-based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Attachment A to this LGIA.

4.1.2.2 Transmission Delivery Service Implications~~.~~ :

Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a

reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be consistent with traditional principles, processes and procedures of cost-of-service ratemaking.

Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.

4.2 Provision of Service~~.~~ :

Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

4.3 Performance Standards~~.~~ :

Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a Transmission Provider or Transmission Owner, then that Party shall amend the LGIA accordingly. Additionally, the Interconnection Customer shall have a continuing duty to comply with Attachment O of this Tariff, as applicable.

4.4 No Transmission Delivery Service~~.~~ :

The execution of this LGIA does not constitute a request for, nor the provision of, any ~~Transmission Service~~transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.5 Interconnection Customer Provided Services~~.~~ :

The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 ~~(Reactive Power)~~ and Article 13.5.1 ~~(Emergency Condition).~~ Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5~~.~~ : Interconnection Facilities Engineering, Procurement, and Construction

5.1 Options~~.~~ :

Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and ~~the Standard Option set forth below for completion of Transmission Provider's Interconnection Facilities and Network Upgrades as set forth in Appendix A, Interconnection Facilities and Network Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones~~either the Standard Option or Alternate Option set forth below and such dates and selected option shall be set forth in Appendix B, Milestones. At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to Transmission Provider, the Interconnection Customer shall notify Transmission Provider within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

5.1.1 Standard Option~~.~~ :

Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design

criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Reserved

~~5.1.3 :~~ .

5.1.3 Option to Build~~. Transmission Provider, within its sole discretion, may provide :~~

Interconnection Customer ~~with~~shall have the option~~, in writing,~~ to assume responsibility for the design, procurement and construction of Transmission ~~Provider's~~Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in ~~Appendix B, Milestones.~~ Article 5.1.2. Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option~~. :~~

If ~~Interconnection Customer elects not to exercise the written option provided~~the dates designated by Interconnection Customer are not acceptable to Transmission Provider~~ under Article 5.1.3, Option to Build, Interconnection Customer shall so notify Transmission Provider within thirty (30) Calendar Days, and~~, the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives, or the procurement and construction of ~~a portion of~~all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades ~~by Interconnection Customer) pursuant to which Transmission Provider is responsible for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Network Upgrades.~~ ifthe Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then pursuant to Article 5.1.1 (Standard Option), Transmission Provider shall assume responsibility for the

design, procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades ~~pursuant~~if the Interconnection Customer elects to ~~5.1.1, Standard~~exercise the Option to Build.

5.2 General Conditions Applicable to Option to Build~~.~~ :

If Interconnection Customer assumes responsibility for the design ~~and engineering,~~ procurement and~~/or~~ construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades~~,~~ :

(1)

Interconnection Customer shall~~:~~

~~(1)~~ engineer, procure equipment, and construct Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and ~~complying with~~using the standards and specifications provided in advance by Transmission Provider;

(2)

Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all ~~Applicable Laws and Regulations and all insurance~~ requirements~~, warranties, shipping insurance, storage protocols, and other policies and requirements~~ of law to which to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(3)

~~provide~~ Transmission Provider ~~with~~shall review and approve the engineering design, equipment acceptance tests, and the construction ~~drawings~~ of ~~the~~ Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades ~~for Transmission Provider to review and approve~~;

(4)~~ prior~~

Prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to ~~any request~~requests for information from Transmission Provider;

(5) ~~**at**~~

At any time during construction, ~~grant~~Transmission Provider shall have the right to gain unrestricted access to Transmission ~~Provider and allow Transmission Provider~~ Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(6)

At any time during the construction, should any phase of the engineering, equipment procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades~~;~~

~~(6)~~ not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades~~ that do not meet the standards and specifications provided by Transmission Provider at any time during construction~~;

(7)

Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1~~,~~ Indemnity;

(8)

Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

(9)

Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Transmission Provider ~~unless the Parties otherwise agree~~; and

(10)

~~obtain~~ Transmission ~~Provider's approval~~Provider shall approve and ~~acceptance~~accept for operation and maintenance ~~of~~ Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades ~~prior~~ to the In-Service Date~~;~~ to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(11)

Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand Alone Network Upgrades are built to the standards and specifications required by Transmission Provider.

~~**Upon Interconnection Customer's assumption**~~**(12)**

If Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, Interconnection Customer shall pay Transmission Provider the agreed upon amount of ~~the~~[$ PLACEHOLDER] for Transmission Provider to execute the responsibilities enumerated to Transmission Provider under Article 5.2. Transmission Provider shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

5.3 Liquidated Damages:

The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraph 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider's Interconnection

Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ¼ of 1 percent per day of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades for which Transmission Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Transmission Provider to Interconnection Customer as just compensation for the damages caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Transmission Provider's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless Interconnection Customer would have been able to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation or to export power from the Large Generating Facility, but for Transmission Provider's delay; (2) Transmission Provider's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with Transmission Provider or any cause beyond Transmission Provider's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and~~/or~~ construction of Transmission ~~Provider's~~Provider's Interconnection Facilities and Stand Alone Network Upgrades~~, Transmission Provider shall:~~

~~(12) review and approve~~; or (4) the ~~engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; and~~

~~(13) approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent such~~

~~facilities and upgrades are engineered, procured, and constructed in accordance with this Article 5.2.~~

~~**5.3 Reserved.**~~Parties have otherwise agreed.

5.4 Power System Stabilizers~~.~~ :

The Interconnection Customer shall procure, install, maintain and operate ~~power system stabilizers~~Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed power system stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's power system stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators~~ or solar photovoltaic generators, unless the need for such criteria has been established in the System Impact Study~~.

5.5 Equipment Procurement~~.~~ :

If responsibility for construction of Transmission Provider's Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1:

Transmission Provider has completed the Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;

5.5.2:

Transmission Provider has received written authorization ~~from Interconnection Customer~~ to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.5.3:

Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

~~**5.5.3** Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.~~

5.6 Construction Commencement~~.~~ :

Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1:

Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2:

Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;

5.6.3:

Transmission Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.6.4:

Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

~~**5.6.4** Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B,~~

~~Milestones.~~

5.7 Work Progress~~.~~ :

The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.

5.8 Information Exchange~~.~~ :

As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 Other Interconnection Options:

5.9.1 Limited Operation~~.~~ :

If any of Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities ~~provided that the results support such operations and Interconnection Customer operates such facilities~~ in accordance with the results of such studies.

~~**5.10 Interconnection Customer's Interconnection Facilities ("ICIF").**~~ **5.9.2 Provisional Interconnection Service**:

Upon the request of Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities Transmission Provider may execute a Provisional Large Generator Interconnection Agreement. Transmission Provider shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Generating Facility or Transmission System. Transmission Provider shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities that are necessary to meet the requirements of NERC, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Generating Facility are in place prior to the commencement of Interconnection Service from the Generating Facility. Where available studies indicate that such, Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Generating Facility are not currently in place, Transmission Provider will perform a study, at the Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Generating Facility in the Provisional Large Generator Interconnection Agreement shall be studied and updated [on a frequency determined by Transmission Provider and at the Interconnection Customer's expense]. Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional Large Generator Interconnection Agreement and the Large Generator Interconnection Agreement, including changes in output limits and Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities cost responsibilities.

5.10 Interconnection Customer's Interconnection Facilities: ("ICIF"):

Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.10.1 Interconnection Customer's Interconnection Facility Specifications. :

Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Transmission Provider's Review~~.~~ :

Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing ~~any express or implied representation or~~a warranty as to the design, ~~merchantability,~~ fitness ~~for any particular purpose~~, safety, durability~~,~~ or reliability~~, compatibility or capability~~ of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be ~~directed~~required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.

5.10.3 ICIF Construction~~.~~ :

The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline ~~in writing~~, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility~~, or any other pertinent information requested by Transmission Provider.~~. The Interconnection Customer shall provide Transmission Provider ~~with~~ specifications for the excitation system, automatic

voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Transmission Provider's Interconnection Facilities Construction~~.~~ :

Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection Customer the following "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities including relay diagrams.

Transmission Provider will obtain ownership (unless otherwise agreed by the Transmission Provider) and control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.12 Access Rights~~.~~ :

Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned~~,~~ or controlled ~~or leased~~ by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such ~~rights of use,~~ licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13 Lands of Other Property Owners~~.~~ :

If any part of Transmission ~~Provider's~~Provider or Transmission Owner's Interconnection Facilities, Stand Alone Network Upgrades, and/or Network Upgrades is to be installed on property owned by persons other than ~~Interconnection Customer or Transmission Provider,~~

Transmission Provider or Transmission Owner, Transmission Provider or Transmission Owner shall~~,~~ at Interconnection Customer's expense~~,~~ use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission ~~Provider's~~Provider or Transmission Owner's Interconnection Facilities, Stand Alone Network Upgrades, and/or Network Upgrades upon such property.

5.14 Permits~~.~~ :

Transmission Provider or Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses, and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Transmission Provider or Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's, generation.

5.15 Early Construction of Base Case Facilities~~.~~ :

Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall ~~use~~construct using Reasonable Efforts ~~to advance construction of facilities in effort~~ to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Interconnection Facilities Study for Interconnection Customer, and ~~facilities~~ which also are required to be constructed for another Interconnection Customer but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 Suspension~~.~~ :

Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. ~~Transmission Provider shall not be liable for any acts or omissions of Interconnection Customer relating to its decision and~~

~~implementation of suspension. Interconnection Customer shall indemnify Transmission Provider from and against any and all claims, actions, disputes and proceedings which may come against Transmission Provider arising by reason of or incident to Interconnection Customer's suspension of work on Transmission Provider's Interconnection Facilities, Network Upgrades and/or Interconnection Customer's Interconnection Facilities.~~

In ~~the~~such event ~~that Interconnection Customer elects to suspend work pursuant to this Article 5.16~~, Interconnection Customer shall be responsible for ~~(i) insuring that the Interconnection Customer's Interconnection Facilities constructed or installed to date are secured and left in a safe and reliable condition in accordance with Good Utility Practice, and (ii)~~ all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA prior to the suspension and ~~which Transmission Provider~~ (ii) incurs ~~as a result of the suspension~~in suspending such work, including any costs incurred to perform such work ~~and any work that~~as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so. Interconnection Customer shall also be obligated to pay any applicable penalties associated with the suspension, pursuant to Section 3.7 of the LGIP.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. ~~In~~Except as provided in Article 5.16.2 below, in the event Interconnection Customer suspends work ~~pursuant to this Article 5.16 that~~by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

5.16.1 Effect of Misused Interconnection Customer LGIA Milestones:

If Interconnection Customer ~~17~~ fails to provide notice of suspension pursuant to Article 5.16, and Interconnection Customer fails to fulfill or complete any Interconnection Customer LGIA Milestone provided in Appendix B ("LGIA Milestone"), this constitutes a Breach under this LGIA. Depending upon the consequences of the Breach and effectiveness of the cure pursuant to Article 17,

Transmission Provider's LGIA Milestones may be revised, following consultation with Interconnection Customer, consistent with Reasonable Efforts, and in consideration of all relevant circumstances. Parties shall employ Reasonable Efforts to maintain their remaining respective LGIA Milestones.

5.16.2 Effect of Suspension; Parties Obligations:

In the event that Interconnection Customer suspends work pursuant to this Article 5.16, the applicable construction duration, timelines and schedules set forth in Appendix B shall be suspended during the period of suspension. Should Interconnection Customer thereafter request that work be recommenced, Appendix A and Appendix B may be revised to account for construction sequencing and modified milestones. If the Commercial Operation Date is extended beyond three (3) cumulative years described in Section 4.4.5 of the LGIP and Article 2.3.1 of this LGIA, such an extension may be considered a Material Modification and result in the termination of the LGIA under Article 2.3.1. Interconnection Customer is required to maintain Site Control while this LGIA is in effect, including during suspension.

5.17 Taxes~~.~~:

To the extent that Transmission Provider becomes subject to Federal income taxation, the following provisions within this Article 5.17 shall apply:

5.17.1 Interconnection Customer Payments Not Taxable~~.~~:

The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Provider for the installation of Transmission Provider's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants~~.~~:

In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission

of the electricity on the Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Transmission Provider for Transmission Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Transmission Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Transmission Provider's request, Interconnection Customer shall provide Transmission Provider with a report from an independent engineer confirming its representation in clause (iii), above. Transmission Provider represents and covenants that the cost of Transmission Provider's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Provider.:

Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments, property transfers, or its use of the Transmission Provider's Interconnection Facilities or the Transmission System by Interconnection Customer under the terms and conditions of this LGIA, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Transmission Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Transmission Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Transmission Provider to report payments or property as income

subject to taxation; provided, however, that Transmission Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Provider (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten-year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount~~.~~:

Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Transmission Provider, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Transmission Provider ("Current Taxes") on the excess of (a) the gross income realized by Transmission Provider as a result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Transmission Provider to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Transmission Provider's composite federal and state tax rates at the time the payments or property transfers are received and Transmission Provider will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting

Transmission Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Transmission Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: (Current Tax Rate x (Gross Income Amount – Present Value of Tax Depreciation))/(1-Current Tax Rate). Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law.—:

At Interconnection Customer's request and expense, Transmission Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Transmission Provider under this LGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Transmission Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Transmission Provider shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Transmission Provider shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events.—:

If, within 10 years from the date on which the relevant Transmission Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and Transmission Provider retains ownership of the Interconnection Facilities and Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Transmission Provider,

calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests~~.~~ :

In the event any Governmental Authority determines that Transmission Provider's receipt of payments or property constitutes income that is subject to taxation, Transmission Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Transmission Provider may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Transmission Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Transmission Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Transmission Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Transmission Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Transmission Provider for the tax at issue in the contest.

5.17.8 Refund~~.~~ :

In the event that (a) a private letter ruling is issued to Transmission Provider which holds that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Transmission Provider in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not taxable to Transmission Provider, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Transmission Provider are not subject to federal income tax, or (d) if Transmission Provider receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Transmission Provider pursuant to this LGIA, Transmission Provider shall promptly refund to Interconnection Customer the following:

(i)~~ any~~

Any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable,

(ii)~~ interest~~

Interest on any amounts paid by Interconnection Customer to Transmission Provider for such taxes which Transmission Provider did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR § 35.19a (a)(2)(iii) from the date payment was made by Interconnection Customer to the date Transmission Provider refunds such payment to Interconnection Customer, and

(iii)~~ with~~

With respect to any such taxes paid by Transmission Provider, any refund or credit Transmission Provider receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Transmission Provider

for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Transmission Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Transmission Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Transmission Provider's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes~~.~~ :

Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this LGIA. Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider.

5.17.10 Transmission Owners Who Are Not Transmission Providers~~.~~ :

If Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall ~~also~~ be deemed also to refer to and include the Transmission Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed

in writing to assume all of the duties and obligations of Transmission Provider under this Article 5.17 of this LGIA.

5.18 Tax Status~~.~~ :

Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this LGIA is intended to adversely affect any Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Tax Exempt and Tax Credit Bonds (as defined in Section 13.6.1 of the LGIP).

5.19 Modification~~.~~ :

5.19.1 General~~.~~ :

Either Party may undertake modifications to its facilities~~; provided that, each Party does not impair or impede the local area stability and reliability of the Transmission System~~. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide ~~written notification~~ to the other Party ~~and also provide~~ sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility ~~or from Interconnection Facilities or on the Transmission System.~~ .

~~If Interconnection Customer is undertaking any modification as a result of an interconnection request by a third party or an Affiliate or on its own to interconnect to the Interconnection Customer's Interconnection Facilities, Interconnection Customer shall treat Transmission Provider as an Affected System Operator and further comply with all Applicable Laws and Regulations including any necessary filing of a transmission tariff with FERC and securing the necessary ancillary services from Transmission Provider or another entity to support transmission service on Interconnection Customer's Interconnection Facilities. Interconnection Customer shall also coordinate its studies with Transmission Provider to evaluate whether any Network Upgrades are required on the Transmission Provider's Transmission System as a result of such interconnection request.~~

The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit ~~a new or separate~~an Interconnection Request, Transmission Provider shall~~, upon receipt of Interconnection Customer's written notification of modifications,~~ provide, within ~~sixty (60~~thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 Standards~~.~~ :

Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.

5.19.3 Modification Costs~~.~~ :

Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide ~~Transmission Service~~transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities ~~or any necessary additions, modifications or replacements to Transmission Provider's Interconnection Facilities and Transmission Provider's Transmission System resulting from any interconnection request processed by Interconnection Customer to interconnect into Interconnection Customer's Interconnection Facilities,~~ consistent with Applicable Laws and Regulations, Applicable Reliability Standards ~~and/~~or Good Utility

Practice.

~~**5.20 Conformance with NERC and WECC Reliability Requirements.**~~

~~Interconnection Customer must abide by all Applicable Reliability Standards including, but not limited to:~~

~~1. Coordination of joint studies of new facilities and their impacts on the interconnected transmission systems.~~
~~2. Notification of new or modified facilities to others (those responsible for the reliability of the interconnected transmission systems) as soon as feasible.~~
~~3. Voltage level and MW and MVAR capacity or demand at point of connection.~~
~~4. Breaker duty and surge protection.~~
~~5. System protection and coordination.~~
~~6. Metering and telecommunications.~~
~~7. Grounding and safety issues.~~
~~8. Insulation and insulation coordination.~~
~~9. Voltage, Reactive Power, and power factor control.~~
~~10. Power quality impacts.~~
~~11. Equipment Ratings.~~
~~12. Synchronizing of facilities.~~
~~13. Maintenance coordination.~~
~~14. Operational issues (abnormal frequency and voltages).~~
~~15. Inspection requirements for existing or new facilities.~~
~~16. Communications and procedures during normal and emergency operating conditions.~~

~~More general requirements are identified within various articles of this LGIA.~~

Article 6~~.~~ ~~:~~ Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications~~.~~ ~~:~~

Prior to the Commercial Operation Date, Transmission Provider shall test ~~and measure~~ Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test ~~and measure~~ the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing and measurement may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing ~~and measurements.~~. Interconnection Customer shall bear the cost of all

such testing~~, measurements, any additional study of harmonics and sub-synchronous resonance (SSR) that Transmission Provider deems necessary, and any modification~~ and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

6.2 Post-Commercial Operation Date Testing and Modifications~~.~~ :

Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

6.3 Right to Observe Testing~~.~~ :

Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

6.4 Right to Inspect~~.~~ :

Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including ~~power system stabilizers~~Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty ~~or representation~~ as to the ~~merchantability,~~ fitness ~~for a particular purpose~~, safety, desirability, ~~durability~~ or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

Article 7~~.~~ : Metering

7.1 General~~.~~ :

Each Party shall comply with the Applicable Reliability Council requirements ~~governing metering~~. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

~~**7.1.2 Station Power to the Generating Facility.** The Interconnection Customer shall make all appropriate arrangements for station service requirements with the local retail service provider, including the delivery component of transmission service, if applicable. If the Transmission Provider is not the local retail service provider for the Generating Facility, the Transmission Provider shall not be obligated or responsible for providing station power to the Generating Facility.~~

~~**7.2 Check Meters.**~~ **7.2 Check Meters:**

Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee ~~or agent~~. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

7.3 Standards~~.~~ :

Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.

7.4 Testing of Metering Equipment~~.~~ :

Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to ~~comply with the above inspection and testing cycle~~maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

7.5 Metering Data~~.~~ :

At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

~~**7.6 Performance Monitoring by Phasor Measuring Units**~~

~~The Interconnection Customer shall provide a simulation model to Transmission Provider which complies with the WECC Generator Test Policy posted in the "Generator Testing Program" area on the WECC website at , or any successor Test Policy. Monitoring of the generator's actual dynamic behavior is required to fully validate and verify the model provided by or on behalf of the Interconnection Customer. If Transmission Provider observes a severe discrepancy between the monitored dynamic behavior and the simulation based on the model and parametric values provided by the Interconnection Customer, then~~

~~the Interconnection Customer shall be required to perform parametric testing of the generation equipment at Interconnection Customer's expense.~~

~~Transmission Provider uses a Phasor Measuring Unit (PMU) to monitor the dynamic behavior of the generator. A PMU provides digital high-speed time-synchronized voltage and current phasors and frequency measurements. Transmission Provider requires PMU functionality at all generation plants that are directly interconnected to Transmission Provider's Transmission System at voltages of 230 kV and above, and at some lower voltage interconnections when identified during the Interconnection Study. The PMU will be installed at the Interconnection Customer's substation, such as a collector station for a wind generation project. The PMU will measure quantities at either the low side or high side of each substation step-up transformer (e.g., 34.5/230 kV).~~

~~Transmission Provider will provide the manufacturer and model number for the PMU. The PMU and the required communication circuits/equipment at the Interconnection Customer's substation shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense.~~

~~Depending on the Point of Interconnection, Transmission Provider will also require a continuous data stream to a Transmission Provider Phasor Data Concentrator via the installed communications network at the Interconnection Customer's substation. The PMU must be tested after configuration (but prior to installation) for compliance with IEEE C37.118 standard (or applicable superseding IEEE Standard) and WECC filtering and dynamic performance requirements.~~

Article 8~~.~~ : Communications

8.1 Interconnection Customer Obligations~~.~~ :

Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by

Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 Remote Terminal Unit~~.~~ :

Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider and Interconnection Customer shall supply data in accordance with this communication protocol, including but not limited to: (1) real-time analog data which must be telemetered directly to the location(s) specified by Transmission Provider; (2) status points; (3) accumulators; (4) control points; and (5) any other operating data requested by Transmission Provider, and as further detailed in the Business Practice.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation~~.~~ :

Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed ~~in writing~~ by the Parties.

8.4 ~~.~~ Provision of Data from a Variable Energy Resource~~.~~ :

The Interconnection Customer whose Generating Facility is a Variable Energy Resource shall provide meteorological and forced outage data to the Transmission Provider to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific

meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The Transmission Provider and Interconnection Customer whose Generating Facility is a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. The Interconnection Customer whose Generating Facility is a Variable Energy Resource also shall submit data to the Transmission Provider regarding all forced outages to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to the Transmission Provider, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

Article 9~~.~~: Operations

9.1 General~~.~~:

Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 Control Area Notification~~.~~:

At least three months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider in writing of the Control Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if

applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.

9.3 Transmission Provider Obligations~~.~~ :

Transmission Provider shall ~~operate, maintain and control~~cause the Transmission System and Transmission ~~Provider's~~Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider ~~has authority to~~may provide operating instructions to Interconnection Customer consistent with this LGIA~~, Applicable Reliability Standards,~~ and Transmission ~~Provider's~~Provider's operating protocols and procedures~~,~~ as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations~~.~~ :

Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA ~~and the NERC Reliability Standards.~~. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is ~~a~~ part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. ~~Notwithstanding the provisions in Articles 30.9 and 30.10, Transmission Provider may modify~~ Appendix C, Interconnection Details~~,~~ will be modified to reflect changes to the requirements as they may change from time to time ~~without the need for a written amendment to this LGIA~~. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.

9.5 Start-Up and Synchronization~~.~~ :

Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.

9.6 Reactive Power and Primary Frequency Response: .

9.6.1 Power Factor Design Criteria~~.~~ :

9.6.1.1 Synchronous Generation~~.~~ :

Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider ~~or Transmission Operator~~ has established different requirements that apply to all synchronous generators in the Control Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation~~.~~ :

Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output ~~either (1)~~ at the high-side of the generator substation ~~or (2) at the Point of Interconnection~~ at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all non-synchronous generators in the Control 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. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of ~~Transmission Provider's Form of Large Generator Interconnection Agreement.~~the Final Rule establishing this requirement (Order No. 827).

9.6.2 Voltage Schedules~~.~~ :

Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider ~~or Transmission Operator~~ shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission ~~Provider's or Transmission Operator's~~Provider's voltage schedules~~, which may be modified in real time as necessary,~~ shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner.

~~For purposes of this Article 9.6.2, "voltage schedule" is the target voltage to be maintained within a tolerance band during a specified period.~~

~~_____~~Transmission Provider~~ or Transmission Operator~~ shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the ~~Transmission~~System Operator~~.~~

9.6.2.1 ~~Governors and~~ Voltage Regulators~~.~~ :

Whenever the Large Generating Facility is operated in parallel with the Transmission System and~~ the speed governors (if installed on the generating unit pursuant to Good Utility Practice) as well as~~ the voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its ~~speed governors and~~ voltage regulators in automatic operation. If the Large Generating Facility's~~ speed governors and~~ voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify the Transmission ~~Operator~~Provider's system operator, or its designated representative and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

~~9.6.2.2 Off-Nominal Frequency and Under-frequency Load Shedding Criteria~~

~~Interconnection Customer acknowledges that Transmission Provider has obligations to comply with Applicable Reliability Standards addressing Off-Nominal Frequency Load Shedding and Under-frequency Load Shedding, and Interconnection Customer agrees to cooperate with any request made by Transmission Provider that may be necessary to ensure compliance with such requirements.~~

9.6.3 Payment for Reactive Power ~~Outside of Range.~~ :

Transmission Provider ~~will~~is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Transmission Provider requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1, provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise ~~mutually~~ agreed.

9.6.4 ~~No Payment~~ Primary Frequency Response:

Interconnection Customer shall ensure the primary frequency response capability of its Large 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 Large Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection 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 NERC Reliability Standard providing for ~~**Reactive Power Within Range.**~~ equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Large 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 an approved NERC 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 Large 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 Large 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 NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider ~~does not pay its own or affiliated generators for reactive power~~ that the primary frequency response capability of the Large Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Interconnection Customer shall operate the Large 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 Large Generating Facilities.

9.6.4.1 Governor or Equivalent Controls:

Whenever the Large Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Large Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider 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 NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Large Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider 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. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Large Generating Facility's governor or equivalent controls to a minimum whenever the Large Generating Facility is operated in parallel with the Transmission System.

9.6.4.2 Timely and Sustained Response:

Interconnection Customer shall ensure that the Large 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 Large Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection 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 Large Generating Facility shall sustain the real power response at least until system frequency returns to a value within the ~~specified range and similarly will not pay Interconnection Customer for reactive power service within the~~ deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 Exemptions:

Large 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. Large 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 ~~range.~~ 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. Interconnection:

Customer interconnecting an electric storage resource shall establish an operating range in Appendix C of its LGIA 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 C 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 Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection 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 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 Interconnection 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. Interconnection 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.

9.7 Outages and Interruptions~~.~~:

9.7.1 Outages~~.~~:

9.7.1.1 Outage Authority and Coordination~~.~~ :

Each Party~~,~~ may in accordance with Good Utility Practice ~~and in compliance with Applicable Reliability Standards, shall coordinate~~in coordination with the other Party ~~as well as the Transmission Operator and Control Area Operator, if not the same as Transmission Provider, before removing~~remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other ~~Party's~~Party's facilities~~, including the Transmission System,~~ as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties~~, Transmission Operator, and Control Area Operator.~~. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 Outage Schedules~~.~~ :

Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS ~~(as defined in the Tariff).~~. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four ~~(24)~~ month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider shall

compensate Interconnection Customer for up to 50% for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

9.7.1.3 Outage Restoration

~~.~~ If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.7.2 Interruption of Service~~.~~ :

If required by Good Utility Practice ~~or Applicable Reliability Standards~~ to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or ~~any~~ reduction permitted under this Article 9.7.2:

9.7.2.1

The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.7.2.2

Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System;

9.7.2.3

When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

9.7.2.4

Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider; ~~and~~

9.7.2.5

The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Under-Frequency and Over Frequency Conditions~~.~~ :

The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as

required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

9.7.4 System Protection and Other Control Requirements:

9.7.4.1 System Protection Facilities:
Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Transmission Provider's Interconnection Facilities or the Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.

9.7.4.2
Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

9.7.4.3
Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4
Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.

9.7.4.5
Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice~~ and WECC Criteria~~.

9.7.4.6
Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection~~.~~
In compliance with Good Utility Practice~~, Applicable Reliability Standards, and WECC Criteria~~, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the Large Generating Facility.

9.7.6 Power Quality~~.~~

Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

9.8 Switching and Tagging Rules~~.~~ :

Each Party shall provide the other Party ~~with~~ 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 ~~or implemented~~ on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as ~~may be~~ amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties~~.~~ :

9.9.1 Purpose of Interconnection Facilities~~.~~
Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties ~~pursuant to Article 9.9.2 of this Agreement~~, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users~~.~~
If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission ~~Provider's~~Provider's Interconnection ~~Facilities, Common~~ Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the ~~Transmission Provider's~~ Interconnection Facilities ~~and/or~~based upon the ~~Common Facilities prior to such third party~~pro rata use of the ~~Transmission Provider's~~ Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and~~/or~~ Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the ~~Common Facilities ("Capital~~

~~Expenses")~~Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of ~~Transmission Provider's~~the Interconnection~~ Facilities and/or Common~~ Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with ~~the methodology set forth in Appendix H. Any such compensation will be based upon use by third parties of any portion of the Transmission Provider's Interconnection Facilities except those portions that are exclusively used by Interconnection Customer~~Applicable Laws and Regulations or upon some other mutually agreed upon methodology.

~~In addition, cost responsibility for Capital Improvements and ongoing costs, including operation and maintenance costs associated with the Transmission Provider's Interconnection Facilities and/or the Common Facilities will be allocated between or among Interconnection Customer and any third party users based upon the pro rata use of the Transmission Provider's Interconnection Facilities and/or the Common Facilities by Transmission Provider, all third party users, and Interconnection Customer in accordance with the methodology set forth in Appendix H.~~

9.10 Disturbance Analysis Data Exchange~~.~~ :

The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10~~.~~ : Maintenance

10.1 Transmission Provider Obligations~~.~~ :

Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.2 Interconnection Customer Obligations~~.~~ :

Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.3 Coordination~~.~~ :

The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

10.4 Secondary Systems~~.~~ :

Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, ~~alternating current (~~AC~~)~~ or ~~direct current (~~DC~~),~~ including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses~~.~~ :

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or ~~Transmission Service~~transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities~~ and Common Facilities; and (3) voltage regulation, in the event Interconnection Customer elects, as provided in Article 9.6.1.2 herein, to design its non-synchronous Large Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation~~.

Article 11~~.~~ : Performance Obligation

11.1 Interconnection Customer Interconnection Facilities~~.~~ :

Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

11.2 Transmission Provider's Interconnection Facilities~~.~~ :

Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades~~.~~ :

Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible ~~for the payment of and~~ all costs related to Distribution Upgrades ~~and~~ . Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.

11.4 Transmission Credits~~.~~ :

11.4.1 Repayment of Amounts Advanced for Network Upgrades~~.~~ :

Transmission Provider is a non-public utility. Transmission Provider and Interconnection Customer agree to waive the crediting policy and reimbursement obligations applicable to public utility transmission providers.

Notwithstanding the foregoing, if an Affected System is identified in the evaluation of the Interconnection Request or Interconnection Service, Interconnection Customer and Affected System Operator will comply with the crediting policy or reimbursement obligations of the Affected System Operator without any cost allocation to Transmission Provider.

If the Large Generating Facility fails to achieve Commercial Operation, but it or

another Generating Facility is later constructed and makes use of the Network Upgrades, the Affected System Operator and Interconnection Customer shall comply with the crediting and reimbursement policy of the Affected System Operator without any cost allocation to Transmission Provider.

11.4.2 Special Provisions for Affected Systems~~.~~ :

Interconnection Customer and Affected System Operator shall enter into an agreement that provides for compliance with the crediting policy or reimbursement obligations of the Affected System Operator without any such costs being allocated to or imposed upon Transmission Provider.

11.4.3 Reserved~~.~~

11.5 Provision of Security~~.~~ :

At least thirty (30) Calendar Days prior to the commencement of the ~~design, engineering,~~ procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for ~~designing, engineering,~~ constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, ~~and/~~or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes.

In addition:

11.5.1:

The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

11.5.2:

The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.5.3:

The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation~~.~~ :

If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power) or 13.5.1 ~~(Emergency Condition)~~ of this LGIA, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service ~~subject to any refund or modification if contested by Transmission Provider~~.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition~~.~~ :

Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

Article 12~~.~~ : Invoice

12.1 General~~.~~ :

Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and

fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice~~.~~ :

Within six months after completion of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an invoice of the final cost of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment~~.~~ :

Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.

12.4 Disputes~~.~~ :

In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute; provided however, if Interconnection Customer opts to utilize an escrow account Interconnection Customer shall be responsible for all administrative and financial obligations associated with setting up and maintaining the independent escrow account until resolution of the dispute without any involvement of or reimbursement by Transmission Provider. If Interconnection Customer fails to meet these two requirements for continuation of ~~Interconnection Service~~service,

then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due~~.~~ with interest calculated in accordance with the methodology set forth in FERC regulations at 18 C.F.R. § 35.19a(a)(2)(iii).

Article 13~~.~~ : Emergencies

13.1 Definition~~.~~ :

"Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, ~~reliability of,~~ or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System ~~wherein~~ restoration and black start shall be considered Emergency Conditions; provided that~~,~~ Interconnection Customer is not obligated by this LGIA to possess black start capability.

13.2 Obligations~~.~~ :

Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

13.3 Notice~~.~~ :

Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or

Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.4 Immediate Action~~.~~ :

Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System.

13.5 Transmission Provider Authority~~.~~ :

13.5.1 General~~.~~ :

Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with ~~black start~~blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission

Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 Reduction and Disconnection~~.~~ :

Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority~~.~~ :

Consistent with Good Utility Practice~~, NERC Reliability Standards,~~ and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent ~~property~~ damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in ~~its efforts~~such actions.

13.7 Limited Liability~~.~~ :

Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other ~~Party~~ for any action ~~or inaction~~ it takes in responding to an Emergency Condition so long as such action ~~or inaction~~ is made in good faith and is consistent with Good Utility Practice.

Article 14~~.~~: Regulatory Requirements and Governing Law

14.1 Regulatory Requirements~~.~~:

Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law~~.~~:

14.2.1:

The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by and enforced in accordance with the laws of the State of California, as if executed and to be performed wholly within the State of California.

14.2.2:

This LGIA is subject to all Applicable Laws and Regulations.

14.2.3:

Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

Article 15~~.~~: Notices~~.~~:

15.1 General.—:

Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments.—:

Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice.—:

Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice: .

Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16.——: Force Majeure

16.1 Force Majeure.:

16.1.1:

A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence (which

does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to the additional requirement of a Force Majeure Written Notice set forth in Article 16.1.2.

16.1.2:

A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall provide the Force Majeure Immediate Notice pursuant to Article 16.1.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set ~~for~~forth above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

Article 17~~.~~: Default

17.1 Default: ~~.~~

17.1.1 General~~.~~:

No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the

result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the Breaching Party. Except as provided in Article 17.1.2, the Breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the Breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2 Right to Terminate~~.~~ :

If ~~any~~a Breach is not cured as provided in ~~Article 17.1.1~~this article, or if a Breach is not capable of being cured within the period provided for ~~therein~~herein, the non-~~Breaching~~breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and ~~shall~~ be relieved of any further obligation hereunder and, ~~the non-Breaching~~whether or not that Party ~~shall have the right~~terminates this LGIA, to recover from the ~~Breaching~~breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this LGIA.

~~**17.1.3 Suspension.**~~

~~If the non-Breaching Party, within its sole discretion, chooses not to immediately exercise its right under Article 17.1.2, the non-Breaching Party may provide written notice to the Breaching Party of its intent to elect to suspend this Agreement for a date certain ("Notice of Suspension"), which such notice shall not to exceed one hundred eighty (180) Calendar Days from the date of its issuance ("Suspension Period"). Suspension of this Agreement shall remain in effect from the date that the non-Breaching Party issued the Notice of Suspension until the earlier of: (i) the Breaching Party's cure of its Breach; or (ii) the expiration of the Suspension Period. If the Breaching Party failed to cure the Breach prior to the expiration of the Suspension Period, the non-Breaching Party shall immediately invoke the provisions of Article 17.1.2.~~

Article 18~~.~~ : Indemnity, Consequential Damages and Insurance

18.1 Indemnity~~.~~ :

The Parties shall at all times indemnify, defend, and hold harmless the other Parties, their respective officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, ~~without limitation, business interruption, impairment of contract,~~ death, bodily injury or personal injury to any person, damage or destruction ~~or loss of use to or of~~to any property (financial, physical, or intellectual) by or to third parties (collectively, "Losses") arising by reason of or incident to or directly or indirectly related to the other Party's acts, errors or omissions, performance or non-performance or Breach of any of their obligations of or under this LGIA, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

18.2 Consequential Damages~~.~~ :

In no event shall either Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, business interruption, 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.

18.3 Insurance – Applicable Terms and Conditions~~.~~ :

18.3.1 Additional Insured Status Required~~.~~ :

Interconnection Customer shall procure at its own expense, and keep in effect at all times during the term of this Agreement, the types and amounts of insurance specified on the attached Contract Insurance Requirements page. The ~~specified~~ insurance shall also~~, either~~ by ~~provisions in the policies, by City's own~~specific endorsement ~~form or by other endorsement~~(s) attached to such policies, ~~be in a form acceptable to the Risk Manager of Transmission Provider (hereinafter referred to as "Risk Manager") and the Office of City Attorney,~~ include ~~and insure~~ , the City of Los Angeles (the "City~~;~~") Transmission Provider, its Board of Commissioners (hereinafter referred to as ~~"~~"Board~~"),~~"), and all of its officers, employees and agents, their successors and assigns, as Additional Insureds (except for ~~Workers'~~Worker's Compensation~~),~~) against the area of risk described herein as

respects Interconnection ~~Customer's~~Customer's acts or omissions in its performance of the agreement, hereunder or other related functions performed by or on behalf of Interconnection Customer. ~~Acceptance of the submitted evidence of insurance shall not be unreasonably withheld.~~ Such insurance shall not limit or qualify the liabilities and obligations of the Interconnection Customer assumed under the contract.

18.3.2 Severability of Interests and Cross Liability Required~~.~~:

Each specified insurance policy (other than Workers' Compensation and Employers' Liability and Property coverage) shall contain a Severability of Interest and Cross Liability clause which states in effect, "It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability," and a Contractual Liability Endorsement which shall state in effect, "Such insurance as is afforded by this policy shall also apply to liability assumed by the insured under this Agreement with the City of Los Angeles."

18.3.3 Primary and Non-Contributory Insurance Required~~.~~:

All such insurance shall be Primary and Noncontributing with any other insurance held by Transmission Provider where liability arises out of or results from the acts or omissions of Interconnection Customer, its agents, employees, officers, assigns, or any person or entity acting for or on behalf of Interconnection Customer. Any insurance carried by Transmission Provider which may be applicable shall be deemed to be excess insurance and the Interconnection Customer's insurance is primary for all purposes despite any conflicting provision in the Interconnection Customer's policies to the contrary.

18.3.4 Deductibles Subject to Transmission Provider's Discretion~~.~~:

Deductibles and/or self-insured retentions shall be at the sole discretion of the Transmission Provider's Risk Manager. The Transmission Provider shall have no liability for any premiums charged for such coverage(s). The inclusion of the Transmission Provider, its Board, and all of its officers, employees and agents, and their agents and assigns, as additional insureds, is not intended to, and shall not, make them, or any of them a partner or joint venturer with Interconnection Customer in its operations.

18.3.5 Proof of Insurance for Renewal or Extension Required~~.~~:

At least thirty (30) days after ~~to~~ the expiration date of any of the policies required on the attached Contract Insurance Requirement page, documentation showing that the insurance coverage has been renewed or extended shall be filed with the Transmission Provider. If such coverage is canceled or reduced in coverage, Interconnection Customer shall, within fifteen (15) days of such cancellation or reduction of coverage, file with Transmission Provider evidence that the required insurance has been reinstated or provided through another insurance company or companies.

18.3.6 Submission of Acceptable Proof of Insurance and Notice of Cancellation~~.~~:

Interconnection Customer shall provide proof to the Transmission Provider's Risk Manager of all specified insurance and related requirements using either ~~by production~~an Acord certificate of ~~the actual~~ insurance ~~policy(ies), by use of~~ along with any required scheduled endorsements, or using the Transmission ~~Provider's~~Provider's own endorsement form(s~~),~~) or ~~by~~using other written evidence of insurance acceptable to the Transmission Provider's Risk Manager, but always in a form acceptable to the Transmission Provider's Risk Manager ~~and the Office of the City Attorney. Acceptance of the submitted evidence of insurance shall not be unreasonably withheld.~~. The documents evidencing all specified ~~coverage~~coverages shall be filed with the Transmission Provider prior to Interconnection Customer beginning operations hereunder. Said proof shall contain at a minimum, the applicable policy number, the inclusive dates of policy ~~coverage~~coverages, the date the ~~protection begins~~specified endorsement for the Transmission Provider was attached to a specific policy, and the insurance ~~carrier's~~carrier's name. ~~It shall bear an original signature of an authorized representative of said carrier, and~~It shall provide that such insurance shall not be subject to cancellation, material reduction in a required coverage or non-renewal (other than for non-payment) except after written notice by ~~certified~~first class mail~~,~~ ~~return receipt requested, to the City Attorney of the City of Los Angeles~~ or electronic mail to the Transmission Provider's Risk Manager at least ~~thirty~~ (30) calendar days prior to the effective date thereof. ~~Seller may provide the required notice consistent with the time frame specified herein.~~ The notification shall be sent by ~~registered mail to: Risk Management Section, L.A. Water and Power, Post Office Box 51111, JFB Room 465, Los Angeles, California 90051-0100.~~first class or electronic mail to:

The Risk Management Section,
Los Angeles Department of Water and Power,
Post Office Box 51111, JFB Room 465,
Los Angeles, California 90051-0100.
Riskmanagement.Risky@ladwp.com

18.3.7 Claims-Made Insurance Conditions~~.~~:

Should any portion of the required insurance be on a "Claims Made" policy, the Interconnection Customer shall, at the policy expiration date following completion of work, provide evidence that the "Claims Made" policy has been renewed or replaced with the same limits, terms and conditions of the expiring policy, or that an extended three (3) years discovery period has been purchased on the expiring policy at least for the contract under which the work was performed.

18.3.8 Failure to Maintain and Provide as Cause for Termination~~.~~:

Failure to maintain and provide acceptable evidence of the required insurance for the required period of coverage shall constitute a breach of contract, upon which Transmission Provider may immediately terminate or suspend the agreement.

18.3.9 Periodic Right to Review/Update Insurance Requirements~~.~~:

The Transmission Provider and Interconnection Customer agree that the insurance policy limits specified on the attached Contract Insurance Requirements page may be reviewed for adequacy annually throughout the term of this Agreement by the Transmission Provider's Risk Manager/City Attorney, who may thereafter require Interconnection Customer to adjust the amounts and types of insurance coverage however the Transmission Provider's Risk Manager/City Attorney deems to be adequate and necessary. Transmission Provider reserves the right to have submitted to it, upon request, all pertinent information about the agent and carrier providing such insurance, including applicable license and ratings.

18.3.10 Specific Insurance Requirements~~.~~:

See Attachment "Contract Insurance Requirements."

18.3.11 Sub-Contractor Compliance:

Interconnection Customer shall be responsible for all sub-contractors'. Interconnection Customer shall require all subcontractors performing any work to maintain insurance limits in accordance with Interconnection Customer's standard agreements with such subcontractors.

18.3.12 Limitation of Liability and Release~~.~~:

TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR ~~COMMOM~~COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

18.3.~~12~~13 Reporting~~.~~:

The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

Article 19~~.~~ : Assignment

19.1 Assignment~~.~~ :

This LGIA may be assigned by either Party only with the ~~prior~~ written consent of the other; provided that, either Party may assign this LGIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or ~~better~~greater credit rating ~~or profile~~ and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that Interconnection Customer shall have the right to assign this LGIA, without the ~~written~~ consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s), including providing the Transmission Provider with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, ~~prior written~~ consent to assignment will not be unreasonably withheld, conditioned or delayed. The General Manager of DWP, and/or his/her designee, is authorized to grant the consents contemplated by this Article 19.1 on behalf of LADWP.

Article 20~~.~~ : Severability

20.1 Severability~~.~~ :

If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21~~.~~ : Comparability

21.1 Comparability~~.~~ :

The ~~Interconnection Customer, if required,~~Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

Article 22~~.~~ : Confidentiality

22.1 Confidentiality~~.~~ :

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

22.1.1 Term~~.~~ :

During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope~~.~~ :

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving

Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 Release of Confidential Information~~.~~ :

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.1.4 Rights~~.~~ :

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5 No Warranties~~.~~ :

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy~~, reliability,~~ or completeness~~, unless otherwise~~

~~stated~~. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 Standard of Care~~.~~ :

Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this LGIA or its ~~applicable~~ regulatory requirements.

22.1.7 Order of Disclosure~~.~~ :

If a court or a Governmental Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 Termination of Agreement~~.~~ :

Upon termination of this LGIA for any reason, each Party shall, within ~~thirty (30~~ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9 Remedies~~.~~ :

The Parties agree that monetary damages would be inadequate to compensate a

Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 Disclosure to FERC, its Staff, or a State ~~Regulatory Agency.~~ :

Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff~~, or if a state regulatory agency,~~ during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

~~**22.1.11 Permitted Disclosures of Confidential Information.**~~
22.1.11:

Subject to the exception in Article 22.1.10, any ~~Confidential Information~~ information that a Party claims ~~contains~~is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be

disclosed by the other Party to any person ~~who is~~ not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area ~~Operator~~operator including disclosing the Confidential Information to an RTO or ISO or to a ~~subregional,~~ 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.

22.1.12 CPRA, Brown Act ~~and NERC/WECC Requirements.~~:

In addition to the foregoing provisions under this Article 22, Interconnection Customer acknowledges that Transmission Provider is subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§6250 et seq. ("CPRA") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 et. seq. ~~("Brown Act"), as well as certain data sharing requirements imposed by NERC and WECC. Any data sharing with NERC or WECC shall be made pursuant to the requirements imposed by NERC and WECC and any applicable data sharing or confidentiality agreements.~~("Brown Act"). Requests for information made directly to Transmission Provider pursuant to CPRA will be managed in a similar manner identified within Article 22.1.11. For purposes of the Brown Act, the Parties shall adhere to the provisions of Article 22.1 to maintain confidentiality.

Article 23~~.~~: Environmental Releases

23.1:

Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the

Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24~~.~~ : Information Requirements

24.1 Information Acquisition~~.~~ :

Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards. ~~Transmission Provider and Interconnection Customer shall designate and mark any materials determined to be CEII.~~

24.2 Information Submission by Transmission Provider~~.~~ :

The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties ~~in writing~~. On a monthly basis Transmission Provider shall provide Interconnection Customer ~~with~~ a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer~~. All~~ :

The updated information submission by Interconnection Customer, including manufacturer information ~~and any revision to the Large Generating Facility data requirements contained in Appendix 1 to the LGIP~~, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. ~~Additionally, such updated information submission shall~~Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the ~~Interconnection~~

~~Studies~~Cluster Study and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study ~~agreement~~Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies~~, at Interconnection Customer's expense,~~ to determine the impact on Transmission Provider's Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such ~~study(ies) is/~~studies are completed~~ and any subsequent mitigation, as determined from the study result(s), is implemented~~.

24.4 Information Supplementation~~.~~ :

Prior to the Commercial Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted ~~by or on behalf of Interconnection Customer and such~~and results ~~shall be~~ provided to Transmission Provider for each individual generating unit in a station.

Subsequent to the Commercial Operation Date, Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide Interconnection Customer ~~with~~ any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. ~~Each Party is obligated to~~The Parties shall provide ~~the above~~such information ~~to the other~~ no later than thirty (30) Calendar Days after the date of ~~any repair or adjustment has been completed or any~~the equipment replacement ~~has been placed into service~~, repair or adjustment.

Article 25~~.~~: Information Access and Audit Rights

25.1 Information Access~~.~~:

Each Party (the "disclosing Party") shall make available to the other Party information that is in the ~~exclusive~~ possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.

25.2 Reporting of Non-Force Majeure Events~~.~~:

Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.

25.3 Audit Rights~~.~~:

Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining

to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods~~.~~:

25.4.1 Audit Rights Period for Construction-Related Accounts and Records~~.~~ :

Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following Transmission Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records~~.~~ :

Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall ~~transpire within~~be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall ~~transpire within~~be twenty-four months after the event for which the audit is sought.

25.5 Audit Results~~.~~ :

If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

Article 26~~.~~ : Subcontractors

26.1 General~~.~~ :

Nothing in this LGIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this LGIA in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

26.2 Responsibility of Principal~~.~~ :

The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance~~.~~ :

The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27~~.~~ : Disputes

27.1 Submission~~.~~ :

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with ~~this~~the LGIA, the LGIP, or ~~its~~their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such Notice of Dispute shall not be deemed a waiver of the requirements of, nor construed as compliance with, California Government Code Section 910 et seq., or any successor statute.

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 ~~written~~ agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA; provide that, any dispute arising out of or relating to this LGIA shall be brought in a state or federal court in the County of Los Angeles in the State of California. Each Party irrevocably agrees to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens*.

27.2 External Arbitration Procedures~~.~~ :

Any arbitration initiated under ~~this LGIA~~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"); provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

27.3 Arbitration Decisions~~.~~ :

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of ~~this~~the LGIA and LGIP and shall have no power to modify or change any provision of ~~this Agreement~~the LGIA and LGIP 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.

27.4 Costs.—:

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

Article 28.——: Representations, Warranties, and Covenants

28.1 General.—: Each Party makes the following representations, warranties and covenants:
:

28.1.1 Good Standing.—:

Such Party is duly organized, validly existing and, in the case of the Interconnection Customer, in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has legal power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

28.1.2 Authority.—:

Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).), and, in the case of the Transmission Provider, the limitations on legal remedies against municipal corporations in the State of California.

28.1.3 No Conflict

.—The execution, delivery and performance of this LGIA does not violate or conflict with any law,the organizational or formation documents, or bylaws, charter or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 Consent and Approval

.—Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required byApplicable Laws and Regulations.

Article 29.——: Joint Operating Committee

29.1 Joint Operating Committee.—:

Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

29.1.1:

Establish data requirements and operating record requirements.

29.1.2:

Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

29.1.3:

Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.

29.1.4:

Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.

29.1.5:

Ensure that information is being provided by each Party regarding equipment availability.

29.1.6:

Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 30.: Miscellaneous

30.1 Binding Effect.:

This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts.:

In the event of a conflict between the body of this LGIA and any attachment,

appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation~~.~~ :

This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

30.4 Entire Agreement~~.~~ :

This LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this LGIA.

30.5 No Third-Party Beneficiaries.—:

This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

30.6 Waiver.—:

The failure of a Party to this LGIA to insist, on any occasion, upon strict performance of any provision of this LGIA will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by either Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain ~~a future~~an interconnection from Transmission Provider. Any waiver of this LGIA shall, if requested, be provided in writing.

30.7 Headings.—:

The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

30.8 Multiple Counterparts.—:

This LGIA may be executed in ~~two~~one or more counterparts, and by the parties in separate counterparts, each of which ~~is~~when executed shall be deemed to be an original but all of which taken together shall constitute one and the same ~~instrument~~agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

30.9 Amendment~~. Expressly excepting any updates made to Appendix F, the~~:

The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.

30.10 Modification by the Parties.—:

The Parties may by mutual agreement amend the Appendices to this LGIA by ~~a written~~an instrument duly executed by the Parties. Such written amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reserved.:

30.12 No Partnership.—:

This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

~~**30.13 Severability.** If any part, term or provision of this LGIA is determined to be invalid, illegal, unenforceable, or in conflict with any law of a federal, state or local government having jurisdiction over this LGIA, such determination shall be limited to those specific parts, terms or provisions and shall not affect the enforceability or validity of any other provision hereof, which shall remain in full force and effect.~~

~~**IN WITNESS WHEREOF,** the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.~~

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS

By:_____
General Manager

Date: _____

And: _____
Board Secretary

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

~~Appendix~~APPENDIX A ~~to~~TO LGIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades:

1~~.~~ : Interconnection Facilities~~:~~

(a~~)~~): [insert Interconnection Customer's Interconnection Facilities~~]~~:]

(b~~)~~): [insert Transmission Provider's Interconnection Facilities~~]~~:]

2~~.~~ : Network Upgrades~~:~~

(a~~)~~): [insert Stand Alone Network Upgrades]:

(b~~)~~): [insert Other Network Upgrades]:

3~~.~~ : Distribution Upgrades:

~~**Appendix**~~

APPENDIX B ~~to~~TO LGIA

Milestones

~~**Appendix**~~

APPENDIX C ~~to~~TO LGIA

Interconnection Details:

~~[To be developed by Transmission Provider]~~

~~Appendix~~1: Interconnection Details

(a): [insert Interconnection Details]

2: Control Technologies and Protection Systems

(a): [insert control technologies and protection systems]

3: Actions and Obligations When Output Is Exceeding the Interconnection Service Level

If the Generating Facility is exceeding its contracted Level of Interconnection Service, Transmission Provider will contact the Generator Operator and/or Generating Facility's Balancing Authority and issue an Operating Instruction to return the output to the contracted Level of Interconnection Service. If the Generator Operator and/or Generating Facility's Balancing Authority has not begun to reduce the Generating Facility's output to the contracted Level of Interconnection Service within the time period specified in the Operating Instruction, Transmission Provider can take action up to and including disconnection of the Generating Facility from the Transmission System at the Point of Interconnection.

APPENDIX D ~~to~~TO LGIA

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. ~~There is an expectation~~FERC will expect that all Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System ~~will~~to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best ~~practices utilized in~~practice recommendations from the electric reliability authority. ~~Each Party~~All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

~~**Appendix**~~
.

APPENDIX E ~~to~~TO LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

[Date]

[Transmission Provider Address]

Re: _____ Large Generating Facility

Dear _____:

On **[Date]** **[Interconnection Customer]** has completed Trial Operation of Unit No. ___. This letter confirms that [Interconnection Customer] commenced Commercial Operation of Unit No. ___ at the Large Generating Facility, effective as of **[Date plus one day]**.

Thank you.

[Signature]

[Interconnection Customer Representative]

~~**Appendix**~~

APPENDIX F ~~to~~TO LGIA
Addresses for Delivery of Notices and Billings

Notices:

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Billings and Payments:

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

~~**Appendix**~~

APPENDIX G ~~to LGIA~~

:

INTERCONNECTION REQUIREMENTS FOR A ~~WIND~~NON-SYNCHRONOUS GENERATING PLANT

Appendix G sets forth requirements and provisions specific to a ~~wind~~Non-Synchronous generating plant. All other requirements of this LGIA continue to apply to ~~wind~~Non-Synchronous generating plant interconnections~~.~~

A~~.~~ ~~:~~ Technical Standards Applicable to a Wind Generating Plant

~~i.~~ **Low Voltage Ride-Through (LVRT) Capability~~:~~**

A ~~wind~~Non-Synchronous generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. ~~The LVRT standard provides for a transition period standard and a post-transition period standard.~~

~~Transition~~ **Post-transition Period LVRT Standard**

~~The transition period standard applies to wind generating plants that have either: (i) interconnection agreements signed, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.~~

~~1.~~ ~~Wind~~All Non-Synchronous generating plants subject to FERC Order No. 661 and covered by the transition period described above must meet the following requirements:

Non-Synchronous 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 ~~pre-fault~~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~~Non-Synchronous generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the ~~wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or "GSU"), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.~~

~~2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.~~

~~3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.~~

~~4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.~~

~~5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.~~

~~**Post-transition Period LVRT Standard**~~

~~All wind generating plants not covered by the transition period described above must meet the following requirements:~~

1. ~~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 pre-fault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind~~Non-Synchronous 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~~Non-Synchronous generating plant may disconnect from the transmission system. A ~~wind~~Non-Synchronous 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~~Non-Synchronous "GSU".

2. ~~2.~~

This requirement does not apply to faults that would occur between the ~~wind~~Non-Synchronous generator terminals and the high side of the GSU.

3. ~~3.~~

~~Wind~~Non-Synchronous generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. ~~4.~~

~~Wind~~Non-Synchronous 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~~Non-Synchronous generating plant or by a combination of generator performance and additional equipment.

5. ~~5.~~

Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

i. ~~ii.~~ Power Factor Design Criteria (Reactive Power~~)~~):

The following reactive power requirements apply only to a newly interconnecting wind generating plant that has ~~not yet~~ executed a Facilities Study Agreement as of the effective date ~~of Transmission Provider's Form of Large Generator Interconnection Agreement.~~the Final Rule establishing the reactive power requirements for non-synchronous generators in section 9.6.1 of this LGIA (Order No. 827). A ~~wind~~Non-Synchronous generating plant to which this provision applies shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured ~~either (1) at the high side of the generator substation or (2)~~ at the Point of Interconnection as defined in this LGIA, ~~depending on the election made pursuant to Section 9.6.1.2 of the LGIA,~~ if the Transmission Provider's ~~System Impact~~Cluster Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the ~~wind~~Non-Synchronous plant is in operation. ~~Wind~~Non-Synchronous plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the ~~System Impact~~Cluster Study shows this to be required for system safety or reliability.

ii. ~~iii.~~ Supervisory Control and Data Acquisition (SCADA) Capability:

The ~~wind~~Non-Synchronous plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the ~~wind~~Non-Synchronous plant Interconnection Customer shall determine what SCADA information is essential for the proposed ~~wind~~Non-Synchronous 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.

~~Appendix H to LGIA~~

~~Common Facilities~~

~~Appendix H and its exhibits identify Common Facilities, and set forth requirements for the use of the Common Facilities and the allocation of costs for such use.~~

~~1. Common Facilities~~

~~Common Facilities shall be that portion of the Transmission Provider's Interconnection Facilities, such Transmission Provider's Interconnection Facilities constructed pursuant to the terms of this Agreement, that is used by one or more third parties and the Capital Expenses of which the Transmission Provider determines to be reimbursable by Interconnection Customer. Transmission Provider will identify any such Common Facilities in Exhibit 1 to this Appendix H.~~

~~2. Reimbursement Methodology~~

~~Reimbursement of Interconnection Customer's Capital Expenses shall be based upon the methodology in Exhibit 2 to this Appendix H.~~

~~Capital Expenses eligible for reimbursement, except for land, will be calculated as original installed costs, including any loading rates applied thereto. Capital Expenses for land will be based upon an appraisal agreed upon by the Parties. Future Capital Expenses related to Transmission Provider's Interconnection Facilities and Common Facilities similarly shall be calculated and added to the existing Capital Expenses as a basis for pro rata charges and reimbursements in the future.~~

~~Reimbursements to the Interconnection Customer related to third party use of the Transmission Providers' Interconnection Facilities and/or the Common Facilities shall be made by the Transmission Provider to the Interconnection Customer in a single payment within 90 business days after the third party's in-service date as determined pursuant to the terms of the third party's interconnection agreement with the Transmission Provider.~~

~~Payment for Use of Common Facilities~~

~~If Interconnection Customer interconnects to and uses Common Facilities, on or before the In-Service Date the Interconnection Customer shall make the Common Facilities Use Fee payment to the Transmission Provider as determined in accordance with the formula set forth in Exhibit 3 to this Appendix H.~~

~~3. Cost Responsibility Ratio~~

~~The Cost Responsibility Ratio is for the purpose of: (i) allocating to the Interconnection Customer a portion of the costs set forth in Section 5 below and (ii) determining the Common Facilities Use Fee payment.~~

~~The Cost Responsibility Ratio shall be recomputed by the Transmission Provider in accordance with Exhibit 4 of Appendix H of this LGIA to reflect the installation of any additional interconnection(s) to the Common Facilities and shall be effective upon the in-service date of such additional interconnection(s) as determined pursuant to the terms of the interconnection agreement with the Transmission Provider for such additional interconnection(s). Upon completion of such recomputation, Transmission Provider shall revise Exhibit 4 and, as soon thereafter as practicable.~~

~~4. Allocation of Costs~~

~~Transmission Provider shall calculate the costs and expenses of operation, maintenance, Capital Improvements, Operating Work, insurance, and taxes, including but not limited to overhead expenses, applicable labor loading charges, administrative and general overhead expenses for the Common Facilities, all in accordance with standard accounting practice and the applicable provisions of the Transmission Provider governing agreements, and shall allocate and charge to Interconnection Customer its Cost Responsibility Ratio share as set forth in Exhibit 4 of Appendix H, of such costs and expenses as set forth below:~~

~~Exhibit 1 of Appendix H~~

~~[FORM OF]~~

~~Common Facilities~~

~~This Exhibit 1 describes a description of the Common Facilities.~~

~~Common Facilities~~	~~Cost as of (month/year)~~
~~Land & Land Rights~~	~~$~~
~~Structures & Improvements~~	~~$~~
~~Roads~~	~~$~~
~~Overhead Conductor~~	~~$~~
~~Station Service~~	~~$~~
~~Meter Relay/Control~~	~~$~~
~~Digital Fault Recorder~~	~~$~~
~~DC System~~	~~$~~
~~Communications~~	~~$.~~
~~Subtotal~~	~~$~~
~~Administrative & General Expenses~~	~~$.~~
~~TOTAL~~	~~$.~~

~~Exhibit 2 to Appendix H~~

~~[FORM OF]~~

~~Interconnection Reimbursement Methodology~~

~~This Exhibit 2 sets forth the methodology for the reimbursement of Interconnection Customer's Capital Expenses.~~

~~Interconnection Customer shall be reimbursed for Capital Expenses based on third party interconnections to the Common Facilities, or any part thereof. The second interconnection will yield a 1/2 reimbursement of the initial Capital Expenses to the Interconnection Customer. A third interconnection will yield a 1/3 obligation of the initial Capital Expenses from such third Interconnection Customer, which will result in an additional 1/6 reimbursement to the Interconnection Customer of the initial Capital Expenses. Additional interconnections similarly will yield pro rata and proportional fractional obligations for the initial Capital Expenses and corresponding reimbursement to prior existing Interconnection Customers.~~

~~Key to Tables 1 - 3 in examples below~~

~~A~~	~~= connections used by Interconnection Customer (IC)~~
~~B~~	~~= connections used by Transmission Provider (TP)~~
~~C~~	~~= connections used by Third Parties~~

~~1. Table #1 details (illustrative) currently configured cost responsibilities:~~

~~Table #1 - Current Transmission Provider Interconnection Configuration~~				~~O&M Cost Responsibility~~	
~~IC~~	$= \frac{A}{(A+B+C)}$	$= \frac{1}{(1+0+0)}$	$= \frac{1}{(1)}$	~~= 1~~	
~~TP~~	$= \frac{B}{(A+B+C)}$	$= \frac{0}{(1+0+0)}$	$= \frac{0}{(1)}$	~~= 0~~	

~~Third Party~~	$= \frac{C}{(A+B+C)}$	$= \frac{0}{(1+0+0)}$	$= \frac{0}{(1)}$	$= 0$	

~~2. Table #2 illustrates cost responsibilities assuming a single future third party interconnector along wi~~
~~Table #1:~~

~~Table #2 - Potential Third Party Interconnection: *for illustration only*~~				~~O&M Cost Responsibility~~	
~~IC~~	$= \frac{A}{(A+B+C)}$	$= \frac{1}{(1+0+1)}$	$= \frac{1}{(2)}$	$= \frac{1}{2}$	
~~TP~~	$= \frac{B}{(A+B+C)}$	$= \frac{0}{(1+0+1)}$	$= \frac{0}{(2)}$	$= 0$	
~~Third Party~~	$= \frac{C}{(A+B+C)}$	$= \frac{1}{(1+0+1)}$	$= \frac{1}{(2)}$	$= \frac{1}{2}$	

~~3. Table #3 illustrates cost responsibilities assuming a second future third party interconnector along w~~
~~Table #2:~~

~~Table #3 - Potential Third Party Interconnection: *for illustration only*~~				~~O&M Cost Responsibility~~	
~~IC~~	$= \frac{A}{(A+B+C)}$	$= \frac{1}{(1+0+2)}$	$= \frac{1}{(3)}$	$= \frac{1}{3}$	
~~TP~~	$= \frac{B}{(A+B+C)}$	$= \frac{0}{(1+0+2)}$	$= \frac{0}{(3)}$	$= 0$	
~~#1 Third Party~~	$= \frac{C}{(A+B+C)}$	$= \frac{1}{(1+0+2)}$	$= \frac{1}{(3)}$	$= \frac{1}{3}$	

~~#2 Third Party~~	$= \frac{C}{(A + B + C)}$	$= \frac{1}{(1 + 0 + 2)}$	$= \frac{1}{(3)}$	$= \frac{1}{3}$

~~**Exhibit 3 to Appendix H**~~

~~**[FORM OF]**~~

~~**Common Facilities Use Fee**~~

~~This Exhibit 2 provides the methodology for calculation of a one-time payment to be made by Interconnection Customer for use of Common Facilities.~~

~~The one-time payment by Interconnection Customer is calculated as follows:~~

~~P = OIC x CRR~~

~~Where:~~

~~P = Payment by Interconnection Customer for use of Common Facilities.~~

~~OIC = Original installed costs of Common Facilities prior to Interconnection Customer's interconnections, as shown on Exhibit 1.~~

~~CRR = Interconnection Customer's CRR calculated pursuant to Exhibit 4 to Appendix H.~~

~~Exhibit 4 to Appendix H~~

~~[FORM OF]~~

~~Cost Responsibility Ratio~~

~~This Exhibit 4 provides the computation of the Cost Responsibility Ratio ("CRR"):~~

~~CRR = B~~
~~A+B+C~~

~~Where: A = Connections used by TP (if applicable)~~

~~B = Connections used by Interconnection Customer~~

~~C = Connections used by others~~

~~TOTAL NUMBER OF INTERCONNECTIONS = [To be added]~~

~~Connections~~

~~Name of Connection~~	~~Transmission Provider~~	~~Interconnection Customer~~	~~Others~~
~~XX~~	~~XX~~	~~XX~~	~~XX~~
~~XX~~	~~XX~~	~~XX~~	~~XX~~

~~Note:~~

~~(1) The CRR shall be applied to the one-time payment pursuant to Exhibit 3.~~

~~(2) The CRR also shall be applied to all other costs and expenses that are allocable to Interconnection Customer under this Agreement.~~

ATTACHMENT M-1

Process for Transitioning to "First-Ready, First-Served" Interconnection Queue Procedures

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1. SCOPE AND APPLICATION OF ATTACHMENT M-1

Section 1.1: Scope of Transition Process

All Small Generating Facility Interconnection Requests and Large Generating Facility Interconnection Requests received and pending by the end of the first full calendar quarter following the Effective Date of this Attachment M-1 (the "Transition Close Date") will be processed under this Attachment M-1. This Attachment M-1 sets forth the procedures by which Transmission Provider will process, including in a cluster study ("Transition Cluster Study") or cluster re-study ("Transition Cluster Re-Study"), any Interconnection Request from a Small Generating Facility Interconnection Request subject to study under Attachment N of Transmission Provider's OATT or Large Generating Facility Interconnection Request received by the Transition Close Date (collectively, "Transition Requests"). Small Generating Facility Interconnection Requests or Large Generating Facility Interconnection Requests received between the Transition Close Date and the effective date of this Attachment M-1 ("Effective Date") shall be deemed submitted within the first Cluster Request Window following completion of the Transition Cluster Study process in this Attachment M-1, and shall be processed pursuant to Attachment M or Attachment N, as applicable. Small Generating Facility and Large Generating Facility Interconnection Requests received after the Effective Date shall be processed pursuant to Attachment M or Attachment N, as applicable.

Section 1.2: Transition Cluster Study Eligibility

All Transition Requests shall be subject to the provisions of this Attachment M-1.

Section 1.2.1: Late-Stage Transition Requests

An Interconnection Customer with a Transition Request that, as of thirty (30) Business Days after the Transition Close Date, is at or beyond the point in the interconnection process when it has been tendered a Facilities Study Agreement but has not executed an LGIA or, as applicable, SGIA, ("Late-Stage Transition Request") shall not be required to enter the Transition Cluster process conducted pursuant to Sections 2 - 4 of this Attachment M-1. Late-Stage Transition Requests may either: (a) continue through the remaining Facilities Study and interconnection agreement execution phases of this Attachment M-1; or (b) opt into the Transition Cluster process performed under Sections 2 - 4 of this Attachment M-1 by notifying Transmission Provider in writing no later than sixty (60) Business Days after the Transition Close Date and meeting the requirements in Section 2. Late-Stage Transition Requests electing to opt into the Transition Cluster process shall forfeit and/or terminate as appropriate any previous interconnection study results or interconnection study agreements, or previously tendered but unexecuted LGIA or SGIA. For Late-Stage Transition Requests that elect to continue through the remaining Facilities Study and interconnection agreement execution phases of this Attachment M-1, i.e., elect not to join the Transition Cluster, the Interconnection

Customer must provide: (a) a demonstration of Site Control pursuant to Section 2.1.2 of this Attachment M-1; and, in the case of a Large Generator Interconnection Request only, (b) a demonstration of a Readiness Milestone option in Sections 2.1.1(b) or 2.1.1(c) of this Attachment M-1. Each demonstration required by the previous sentence for a Late-Stage Transition Request must be made before Transmission Provider will tender an LGIA or SGIA for execution, but made upon the later of ninety (90) Business Days after the Transition Close Date. Any Late-Stage Transition Requests that fail to meet the requirements of this Section 1.2.1 shall be deemed withdrawn.

Section 1.3: Relationship to LGIP and SGIP

Except as otherwise provided in, or modified by, this Attachment M-1, Attachment M and, in the case of Small Generating Facilities, Attachment N, shall apply to Transition Requests.

Section 1.4: Defined Terms

Unless otherwise indicated in this Attachment M-1, capitalized terms used in this Attachment M-1 shall have the definitions set forth in Attachment M, Section 1 and, in the case of Small Generating Facilities, the definitions set forth in Attachment N.

2. PROCESSING OF TRANSITION REQUESTS

Section 2.1: Transition Cluster Study Eligibility: Readiness Milestones, Site Control, and Additional Study Deposit

To be eligible for inclusion in a Transition Cluster Study, a Transition Request must satisfy the requirements of this Section 2.1 (except Section 2.1.1) by no later than sixty (60) Business Days after the Transition Close Date, subject to the Interconnection Customer's opportunity to correct identified deficiencies pursuant to Section 2.2 ("the Transition Readiness Deadline").

Notwithstanding Attachment M, Section 3.4, Interconnection Customer shall promptly inform Transmission Provider of any material change to Interconnection Customer's demonstration, or continuing demonstration, of Site Control under Section 2.1.2 or satisfaction of a Readiness Milestone Option under Section 2.1.1 that has already been previously demonstrated. Upon Transmission Provider determining separately that Interconnection Customer fails to continue demonstrating Site Control once initially demonstrated, or fails to meet a previously demonstrated Readiness Milestone Option under Section 2.1.1, Transmission Provider shall give Interconnection Customer ten (10) Business Days to demonstrate satisfaction with the applicable requirement to Transmission

Provider's satisfaction. Absent such demonstration, Transmission Provider will deem the subject Interconnection Request withdrawn.

Section 2.1.1: Readiness Criteria Applicable to Transition Requests for Large Generating Facilities

By no later than the Transition Readiness Deadline, Interconnection Customer with a Large Generating Facility Transition Request eligible for inclusion in a Transition Cluster Study must submit to the Transmission Provider sufficient evidence of one of the following Readiness Milestone Options totaling the entire capacity of the Generating Facility (or requested Interconnection Service amount if the requested Interconnection Service is less than the Generating Facility Capacity in the case of Large Generating Facility Transition Requests only) that is the subject of the Transition Request:

(a) Executed term sheet (or comparable evidence) related to a contract for sale of (i) the constructed Generating Facility to a load-serving entity or to a commercial, industrial, or other large end-use customer, (ii) the Generating Facility's energy where the term of sale is not less than five (5) years, or (iii) the Generating Facility's ancillary services if the Generating Facility is an electric storage resource where the term of sale is not less than five (5) years;

(b) Executed contract binding upon the parties for sale of (i) the constructed Generating Facility to a load-serving entity or to a commercial, industrial, or other large end-use customer, (ii) the Generating Facility's energy where the term of sale is not less than five (5) years, or (iii) the Generating Facility's ancillary services if the Generating Facility is an electric storage resource where the term of sale is not less than five (5) years; or

(c) Reasonable evidence that the Generating Facility has been selected in a Resource Plan or Resource Solicitation Process by or for a load-serving entity, or is being developed for purposes of a sale to a commercial, industrial, or other large end-use customer.

For the avoidance of doubt, the additional readiness criteria under Attachment M, Section 3.4.1(v) do not apply to Transition Requests under this Attachment M-1.

Section 2.1.2: Site Control

Interconnection Customers with Transition Requests for Small Generating Facilities shall demonstrate Site Control pursuant to Attachment N.

Interconnection Customers with Transition Requests for Large Generating Facilities shall either:

(a) post a deposit of $10,000, or

(b) demonstrate Site Control as defined in Attachment M. Specifications for acceptable site size for the purposes of demonstrating Site Control are posted on Transmission Provider's OASIS website. Interconnection Customer may propose alternative specifications for site size to those posted on OASIS for Transmission Provider approval. In the event Transmission Provider and Interconnection Customer cannot reach agreement related to adequacy of site size, Transmission Provider will accept a Professional Engineer (licensed in the state of the Point of Interconnection) stamped site plan drawing that depicts the proposed generation arrangement and specifies the maximum facility output for that arrangement. Deposits posted in accordance with this Section 2.1.2 shall be applied toward any Interconnection Studies for the Transition Request.

Section 2.1.3: No Additional Cluster Study Deposits

Other than deposits provided in accordance with Section 2.1.2 of this Attachment M-1, Transmission Provider shall not assess any additional study deposits for Transition Requests entering the Transition Cluster Studies. Consistent with Section 3.2, Interconnection Customer with a Transition Request shall be responsible for its allocable share of actual Transition Cluster Study costs, and restudy costs if applicable.

Section 2.1.4: Definitive Point(s) of Interconnection Designation

If not designated already, Interconnection Customer with a Transition Request must designate a definitive Point of Interconnection to be studied in the Transition Cluster study.

Section 2.1.5: Interconnection Service Type Designation

If not designated already, Interconnection Customer with a Transition Request must designate either Energy Resource Interconnection Service or Network Resource Interconnection Service to be studied in the Transition Cluster Study. 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 of five (5) Business Days after the initial Cluster Study Report Meeting held under this Attachment M-1, Section 3.6. Interconnection Customer may then elect to proceed with Network Resource

Interconnection Service or to proceed under a lower level of interconnection service to the extent that only certain upgrades will be completed.

Section 2.1.6: Completed and Updated Interconnection Request Form

Interconnection Customer with a Transition Request must provide the applicable Interconnection Request form, such as Appendix 1 to the LGIP, with all information updated as of the submittal.

Section 2.2: Deficiencies Curable by Transition Readiness Deadline

If an Interconnection Request fails to meet the requirements set forth in Sections 2.1.2, 2.1.4, 2.1.5 or 2.1.6 by no later than sixty (60) Business Days after the Transition Close Date, Transmission Provider shall notify the Interconnection Customer within fifteen (15) Business Days of such failure. Interconnection Customer shall provide Transmission Provider the additional requested information needed to satisfy the requirements of Section 2.1 by no later than the Transition Readiness Deadline. Transition Requests that do not meet the requirements in Section 2.1 of this Attachment M-1 by the Transition Readiness Deadline shall be deemed withdrawn.

3. TRANSITION REQUEST CLUSTER STUDIES

Section 3.1: Transition Cluster Preparation

Within five (5) Business Days following the Transition Readiness Deadline, Transmission Provider shall post on its OASIS site a list of all Transition Requests to be included in the Transition Cluster Study.

Within ten (10) Business Days of the Transition Readiness Deadline, Transmission Provider shall hold a scoping meeting, consistent with the process described in Attachment M, Section 3.3.4, with all Transition Requests to be studied in the Transition Cluster.

All Transition Requests that meet the requirements of Section 2.1 of this Attachment M-1 by the Transition Readiness Deadline and that have executed a Cluster Study Agreement in the form of Appendix 3 to the Transmission Provider's LGIP shall be included in that Transition Cluster Study. Any Transition Requests that do not meet the requirements of Section 2 to be eligible to enter the Transition Cluster Study or that are undergoing Dispute Resolution as of the Transition Readiness Deadline shall not be included in the Transition Cluster.

Section 3.2: Transition Request Cluster Study Agreement

Unless otherwise agreed, by no later than five (5) Business Days following the Transition Readiness Deadline, Transmission Provider shall provide to Interconnection Customer a Cluster Study Agreement in the form of Appendix 3 to Transmission Provider's LGIP. Pursuant to the Cluster Study Agreement, the Interconnection Customer shall compensate Transmission Provider for the actual costs of the Transition Cluster Study in accordance with the Study Cost Allocation methodology in Attachment M, Section 4.2.2, net of any remaining study deposits already provided by the applicable Interconnection Customer prior to the Effective Date. Along with the Cluster Study Agreement, Transmission Provider shall provide to Interconnection Customer a non-binding updated good faith estimate of the cost for completing the Transition Cluster Study.

Section 3.3: Execution of Transition Cluster Study Agreement

Interconnection Customer shall execute and return the Cluster Study Agreement to Transmission Provider no later than fifteen (15) Business Days after the Transition Readiness Deadline. If the Interconnection Customer elects not to execute the Transition Cluster Study Agreement, its Interconnection Request shall be deemed withdrawn.

Section 3.4: Conducting the Transition Cluster Studies

Transmission Provider may conduct separate Transition Cluster Studies for different electrically relevant areas as set forth in this Section 3.4 and its subsections. After all Interconnection Customers in the Transition Cluster that have met the requirements of Section 2.1 of this Attachment M-1 have executed Cluster Study Agreements or the time period for such execution under Section 3.3 has lapsed, the Transmission Provider will commence the Transition Cluster Studies and perform such Transition Cluster Studies pursuant to the procedures in Attachment M, Sections 7.4 and 7.5.

Section 3.4.1: Use of Cluster Areas

Transmission Provider may segment and perform the Transition Cluster Studies according to geographically and electrically relevant areas on the Transmission Provider's Transmission System ("Cluster Area") in the manner described in Attachment M, Section 7.4.

Section 3.4.2: Scope of Transition Request Cluster Study

The Transition Cluster Study shall have the same scope as the scope of the Cluster System Impact Study, as set forth in Attachment M, Section 7.3.

Transmission Provider shall use Reasonable Efforts to complete the Transition Cluster Study no later than one hundred-fifty (150) Calendar Days after the

Transition Readiness Deadline.

Section 3.5: Allocation of Transmission Provider's Interconnection Facilities and Network Upgrade Costs Within Transition Cluster Studies

Except as may be modified in Section 3.7 in this Attachment M-1, for Transmission Provider's Interconnection Facilities and Network Upgrades identified in Transition Cluster Study, Transmission Provider shall calculate the share of costs for each Interconnection Customer within the Transition Cluster in accordance with the allocation methodology in Attachment M, Section 4.2.3.

Section 3.6: Transition Request Cluster Study Report and Meeting with Transmission Provider

Transmission Provider will publish a report following the completion of the Transition Cluster Study ("Transition Cluster Study Report"). Within ten (10) Business Days of furnishing Transition Cluster Study Report or, if a Transition Re-Study was required pursuant to the procedures in Attachment M, Section 7.5(c) a re-study report ("Cluster Re-Study Report"), to Interconnection Customers and posting such report on OASIS, Transmission Provider shall convene an open meeting to discuss the study results ("Cluster Study Report Meeting" or "Cluster Re-Study Report Meeting"). Transmission Provider shall, upon request, also make itself available to meet with individual Interconnection Customers after the report is provided.

4. RE-STUDIES

If Re-Study of the Transition Cluster Study is required due to a project from Transition Cluster dropping out, or a modification of a higher queued project subject to Attachment M, Section 7.5, Transmission Provider shall notify Interconnection Customer(s) in writing. The Transmission Provider shall make Reasonable Efforts to ensure such Re-Study takes no longer than one hundred fifty (150) Calendar Days from the date of notice. Any cost of Re-Study shall be borne by Interconnection Customer(s) being re-studied in accordance with Section 3 of this Attachment M-1.

5. INTERCONNECTION FACILITIES STUDIES FOR TRANSITION REQUESTS

Section 5.1: Increased Readiness Showing

Except for Late-Stage Transition Requests electing not to enter a Transition Cluster, which are subject to separate readiness requirements under Section 1.2.1 of this Attachment M-1, before a Transition Request can proceed to the Facilities Study phase, the applicable Interconnection Customer must make an enhanced readiness showing as set forth in

Section 5.2 of this Attachment M-1.

Section 5.2: Facilities Studies

Transmission Provider will conduct a separate Facilities Study for each Transition Request. Simultaneously with the issuance of the Transition Cluster Study Report, or Transition Cluster Re-Study Report if any, Transmission Provider shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 4 to the LGIP, or Attachment N, as applicable. The Interconnection Facilities Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection Facilities Study. Within ten (10) Business Days following the Cluster Study Report Meeting or, as applicable Cluster Re-Study Report meeting, 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:

a) Any required technical data;

b) A demonstration of Site Control pursuant to Section 2.1.2(b) of this Attachment M-1 (for Large Generating Facility Transition Requests only); and

c) Demonstration of a Readiness Milestone option in Section 2.1.1(b) or (c) of this Attachment M-1 (for Large Generating Facility Transition Requests only).

Interconnection Customers that fail to timely return an executed Interconnection Facilities Study Agreement or fail to satisfy the requirements of this Section 5.2 and its subparts will be deemed withdrawn. Withdrawal of Interconnection Requests at this stage may trigger a Cluster Re-Study.

Section 5.3: Other Facility Study Procedures

Except as otherwise provided in this Section 5, Interconnection Customer and Transmission Provider shall follow the procedures governing Facility Studies in Attachment M for Large Generating Facilities, or, in the case of Small Generating Facilities, Attachment N.

6. LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA) AND SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA)

Interconnection Customer and Transmission Provider shall follow the procedures

governing Large Generator Interconnection Agreements in Attachment M or, in the case of Small Generating Facilities, Attachment N.

7. WITHDRAWAL

Interconnection Customer may withdraw its Transition 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 Attachment M-1 or the LGIP (as applicable), except as provided in Attachment M, Section 13.5 (Disputes), Transmission Provider shall deem the Transition 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.

An Interconnection Customer that withdraws or is deemed to have withdrawn its Transition Request shall pay to Transmission Provider all costs that Transmission Provider prudently incurs with respect to that Transition 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. The additional Withdrawal Penalties under Attachment M will not apply to withdrawn Transition Requests.

ATTACHMENT N

Small Generator Interconnection Procedures

LOS ANGELES DEPARTMENT OF WATER AND POWER

Small Generator Interconnection Procedures (SGIP)

(For Generating Facilities No Larger Than 20 MW)

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Small Generator Interconnection Procedures (SGIP)

(For Generating Facilities No Larger Than 20 MW)

SECTION 1: APPLICATION FOR SMALL GENERATING FACILITY INTERCONNECTIONS

1.1: Applicability

1.1.1: A request to interconnect a Small Generating Facility no larger than 20 megawatts (MW) shall be evaluated under the section 3 Study Process. If the Interconnection Customer wishes to interconnect its Small Generating Facility using Network Resource Interconnection Service, it must do so under the Standard Large Generator Interconnection Procedures and execute the Standard Large Generator Interconnection Agreement. Small Generating Facilities that are subject to the study process in Section 3 shall be required to participate in Transmission Provider's Cluster process pursuant to Section 7 of Attachment M, except as otherwise provided in Section 3. This process does not cover interconnections to any facilities on the Transmission Provider's system that are rated 100 kV and below.

1.1.2: Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of these procedures.

1.1.3: Except as otherwise provided in Attachment M-1 of the Transmission Provider's Tariff, neither these procedures nor the requirements included hereunder apply to Small Generating Facilities interconnected or approved for interconnection prior to 60 Business Days after the effective date of these procedures.

1.1.4: Prior to submitting its Interconnection Request (Attachment 2), the Interconnection Customer may ask the Transmission Provider's interconnection contact employee or office whether the proposed interconnection is subject to these procedures. The Transmission Provider shall respond within 15 Business Days.

1.1.5: 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 authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.

1.1.6: References in these procedures to interconnection agreement are to the Small Generator Interconnection Agreement (SGIA).

1.2: Pre-Application

1.2.1: The 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 the 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 the Transmission Provider's Internet web site. Electric system information provided to the Interconnection Customer should include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on the Transmission Provider's Transmission System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. The 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 $300 for a pre-application report on a proposed project at a specific site. The Transmission Provider shall provide the pre-application data described in section 1.2.3 to the Interconnection Customer within 20 Business Days of receipt of the completed request form and payment of the $300 fee. The pre-application report produced by the Transmission Provider is non- binding, does not confer any rights, and the Interconnection Customer must still successfully apply to interconnect to the Transmission Provider's system. The written pre-application report request form shall include the information in sections 1.2.2.1 through 1.2.2.8 below to clearly and sufficiently identify the location of the proposed Point of Interconnection.

1.2.2.1: Project contact information, including name, address, phone number, and email address.

1.2.2.2: Project location (street address with nearby cross streets and town)

1.2.2.3: Meter number, pole number, or other equivalent information identifying proposed Point of Interconnection, if available.

1.2.2.4: Generator Type (e.g., solar, wind, combined heat and power, etc.)

1.2.2.5: Size (alternating current kW)

1.2.2.6: Single or three phase generator configuration

1.2.2.7: Stand-alone generator (no onsite load, not including station service – Yes or No?)

1.2.2.8: 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.

1.2.3: Using the information provided in the pre-application report request form in section 1.2.2, the Transmission Provider will identify the substation/area bus, bank or circuit likely to serve the proposed Point of Interconnection. This selection by the 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. The 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:

1.2.3.1: 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.

1.2.3.2: 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.

1.2.3.3: 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.

1.2.3.4: 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).

1.2.3.5: Substation nominal distribution voltage and/or transmission nominal voltage if applicable.

1.2.3.6: Nominal distribution circuit voltage and/or transmission circuit voltage at the proposed Point of Interconnection.

1.2.3.7: Approximate circuit distance between the proposed Point of Interconnection and the substation.

1.2.3.8: Relevant line section(s) actual or estimated peak load and minimum load data.

1.2.3.9: 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.

1.2.3.10: Number of phases available at the proposed Point of Interconnection. If a single phase, distance from the three-phase circuit.

1.2.3.11: Limiting conductor ratings from the proposed Point of Interconnection to the substation.

1.2.3.12: Whether the Point of Interconnection is located on a spot network, grid network, or radial supply.

1.2.3.13: 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.

1.2.4: The pre-application report need only include existing data. A pre- application report request does not obligate the Transmission Provider to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the Transmission Provider cannot complete all or some of a pre-application report due to lack of available data, the Transmission Provider shall provide the 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, the 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

The Interconnection Customer shall submit its Interconnection Request to the Transmission Provider, together with the processing fee or deposit specified in the Interconnection Request. The Interconnection Request shall be date- and time-stamped upon receipt. The original date- and time- stamp applied to the Interconnection Request at the time of its original submission shall be accepted as the qualifying date- and time-stamp for the purposes of any timetable in these procedures. The Interconnection Customer shall be notified of receipt by the Transmission Provider within three Business Days of receiving the Interconnection Request. The Transmission Provider shall notify the Interconnection Customer within ten 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, the 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, including if Transmission Provider identifies issues with technical data provided by an Interconnection Customer subject to study pursuant to Section 3. The 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, provided that Interconnection Customers subject to study under Section 3 shall provide such additional listed information by no later than the close of the Cluster Request Window. If the 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 the Transmission Provider.

1.4: Modification of the Interconnection Request

Any modification to machine data or equipment configuration or to the interconnection site of the Small Generating Facility not agreed to in writing by the Transmission Provider and the 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.

1.5: Site Control

Documentation of site control must be submitted with the Interconnection Request. Site control may be demonstrated through:

1.5.1: Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generating Facility;

1.5.2: An option to purchase or acquire a leasehold site for such purpose; or

1.5.3: An exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy a site for such purpose.

1.6: Queue Position

The Transmission Provider shall assign a Queue Position based upon the date- and time-stamp of the Interconnection Request. Except as otherwise noted in Section 3, the Queue Position of each Interconnection Request will be used to determine the cost responsibility for the Upgrades necessary to accommodate the interconnection. The Transmission Provider shall maintain a single queue per geographic region. Except as otherwise noted in Section 3, at the Transmission Provider's option, Interconnection Requests may be studied serially or in clusters pursuant to Section 7 of Attachment M.

1.7: Interconnection Requests Submitted Prior to the Effective Date of the SGIP

Nothing in this SGIP affects an Interconnection Customer's Queue Position assigned before the effective date of this SGIP. The Parties agree to complete work on any interconnection study agreement executed prior the effective date of this SGIP in accordance with the terms and conditions of that interconnection study agreement. Notwithstanding the proceeding two sentences, Interconnection Customer with a Transition Request, as defined in Attachment M-1 of Transmission Provider's OATT and subject to the eligibility requirements reflected therein, shall be included in the Transition Cluster Study if the Small Generating Facility (1) is larger than 2 MW but no larger than 20 MW or (2) is not certified.

SECTION 2: RESERVED

SECTION 3: STUDY PROCESS

3.1: Applicability

The Study Process shall be used by an Interconnection Customer proposing to interconnect its Small Generating Facility with the Transmission Provider's Transmission System if the Small Generating Facility (1) is larger than 2 MW but no larger than 20 MW or (2) is not certified. Such projects shall be studied by Transmission Provider in accordance with the Cluster Study process discussed in Section 6 of Transmission Provider's Attachment M, as further modified below for purposes of Small Generating Facilities.

3.2: Informational Studies for Small Generating Facilities

Small Generating Facilities Eligible for study under this Section 3 may submit a reasonable number of requests for Informational Interconnection Studies, provided that such requests shall be submitted pursuant to the procedures in Section 6 of Transmission Provider's Attachment M. Transmission Provider shall process such requests pursuant to Section 6 of Attachment M.

3.3: Scoping Meeting

3.3.1: A scoping meeting will be held in accordance with the procedures set forth in Section 3.3.4 and Section 7 of Attachment M.

3.3.2: Transmission Provider shall provide the Interconnection Customer a Cluster Study Agreement in the form of Appendix 3 to Attachment M, consistent with the procedures set forth in Section 7.1 of Attachment M.

3.4: Cluster Study

3.4.1: Except as otherwise noted in this Section 3, Transmission Provider shall study the Interconnection Request pursuant to Cluster Study procedures in Section 7 of Attachment M, including any Cluster Re-Studies as may be required under those procedures.

3.4.2: Interconnection Customer shall be required to pay its share of Cluster Study costs and Transmission Provider's Interconnection Facilities and Network Upgrade Costs as allocated by the Transmission Provider pursuant to Sections 4.2.2 and 4.2.3 of Attachment M, respectively. Any invoices issued for such Cluster Study costs shall credit to Interconnection Customer any deposits or application fees paid pursuant to Section 1.

3.4.3: If the Scoping Meeting shows no potential for transmission system or Distribution System adverse system impacts, the Transmission Provider shall send the Interconnection Customer either a facilities study agreement (Attachment 8), including an outline of the scope of the study and a non- binding good faith estimate of the cost to perform the study, or an executable interconnection agreement, as applicable.

3.4.4: Where transmission systems and Distribution Systems have separate owners, such as is the case with transmission-dependent utilities ("TDUs") – whether investor-owned or not – the Interconnection Customer may apply to the nearest Transmission Provider (Transmission Owner, Regional Transmission Operator, or Independent Transmission Provider) providing transmission service to the TDU to request project coordination. Affected Systems shall participate in the study and provide all information necessary to prepare the study.

3.5: Facilities Study

3.5.1: Simultaneously with the delivery of the final Cluster Study Report, or Cluster Re-Study Report if any, Transmission provider shall provide Interconnection Customer with a Facilities Study Agreement including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study.

3.5.2: In order to remain under consideration for interconnection, or, as appropriate, in the Transmission Provider's interconnection queue, the Interconnection Customer must return the executed facilities study agreement or a request for an extension of time within 30 Business Days.

3.5.3: The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the Cluster Study.

3.5.4: Design for any required Interconnection Facilities and/or Upgrades shall be performed under the facilities study agreement. The Transmission Provider may contract with consultants to perform activities required under the facilities study agreement. The

Interconnection Customer and the Transmission Provider may agree to allow the Interconnection Customer to separately arrange for the design of some of the Interconnection Facilities. In such cases, facilities design will be reviewed and/or modified prior to acceptance by the Transmission Provider, under the provisions of the facilities study agreement. If the Parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, the Transmission Provider shall make sufficient information available to the Interconnection Customer in accordance with confidentiality and critical infrastructure requirements to permit the Interconnection Customer to obtain an independent design and cost estimate for any necessary facilities.

3.5.5: A deposit of the good faith estimated costs for the facilities study may be required from the Interconnection Customer.

3.5.6: The scope of and cost responsibilities for the facilities study are described in the attached facilities study agreement.

3.5.7: Upon completion of the facilities study, and with the agreement of the Interconnection Customer to pay for Interconnection Facilities and Upgrades identified in the facilities study, the Transmission Provider shall provide the Interconnection Customer an executable interconnection agreement within five Business Days.

3.6: Restudies

Small Generating Facilities that are studied for Interconnection to the Transmission Provider's Transmission System pursuant to this Section 3 shall be subject to the restudy provisions in Section 7.5 and 8.5 of Attachment M.

SECTION 4: PROVISIONS THAT APPLY TO ALL INTERCONNECTION REQUESTS

4.1: Reasonable Efforts

The Transmission Provider shall make reasonable efforts to meet all time frames provided in these procedures unless the Transmission Provider and the Interconnection Customer agree to a different schedule. If the Transmission Provider cannot meet a deadline provided herein, it shall notify the 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: The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.

4.2.2: In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute. Such Notice of Dispute shall not be deemed a waiver of the requirements of, nor construed as compliance with, California Government Code Section 910 et seq., or any successor statute.

4.2.3: 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.

4.2.4: 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 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"); provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 4.2, the terms of this Article 4.2 shall prevail.

4.2.5: Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this interconnection process and shall have no power to modify or change any provision of this interconnection process 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.

4.2.6: 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.

4.2.7: If the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of these procedures; provided that, any dispute arising out of or relating to this interconnection process shall be brought in a state or federal court in the County of Los Angeles in the State of California. Each Party irrevocably agrees to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens.*

4.3: Interconnection Metering

Any metering necessitated by the use of the Small Generating Facility shall be installed at the Interconnection Customer's expense in accordance with North American Electric Reliability Corporation, state, or local regulatory requirements or the Transmission Provider's specifications.

4.4: Commissioning

Commissioning tests of the Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. The Transmission Provider must be given at least five 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.

4.5: Confidentiality

4.5.1: Confidential information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of these procedures all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed confidential information regardless of whether it is clearly marked or otherwise designated as such.

4.5.2: Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce these procedures. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under these procedures, or to fulfill legal or regulatory requirements.

4.5.2.1: Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

4.5.2.2: Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages and may seek other remedies available at law or in equity for breach of this provision.

4.5.3: Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to these procedures, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC. The Party shall notify the other Party when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

4.5.4 - CPRA, Brown Act: In addition to the foregoing provisions under this Section 4.5, Interconnection Customer acknowledges that Transmission Provider is subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§6250 et seq. ("CPRA") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 et. Seq. ("Brown Act"). Requests for information made directly to Transmission Provider pursuant to CPRA, and for information sought under the Brown Act, the Parties shall adhere to the provisions Section 13.1 of Attachment M to maintain confidentiality.

4.6: Comparability

The Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this document. The 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 the Transmission Provider, its subsidiaries or affiliates, or others.

4.7: Record Retention

The 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 the Transmission Provider, the Interconnection Customer shall have 30 Business Days or another mutually agreeable timeframe to sign and return the interconnection agreement or initiate Dispute Resolution pursuant to Section 13.5 of Attachment M. If the Interconnection Customer does not sign the interconnection agreement or initiate Dispute Resolution within 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.

4.9: Coordination with Affected Systems

The Transmission Provider shall coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System operators and, if possible, include those results (if available) in its applicable interconnection study within the time frame specified in these procedures. The Transmission Provider will include such Affected System operators in all meetings held with the Interconnection Customer as required by these procedures. The Interconnection Customer will cooperate with the Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A Transmission Provider which may be an Affected System shall cooperate with the Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

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 the 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 the Transmission Provider's electric system. However, if the maximum capacity that the Small Generating Facility is capable of injecting into the 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 the Interconnection Customer must obtain the Transmission Provider's agreement, with such agreement not to be unreasonably withheld, that the way the Interconnection Customer proposes to implement such a limit will not adversely

affect the safety and reliability of the Transmission Provider's system. If the 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 the Transmission Provider's electric system without such limitations. Furthermore, nothing in this section shall prevent a Transmission Provider from considering an output higher than the limited output, if appropriate, when evaluating system protection impacts.

ATTACHMENT 1: GLOSSARY OF TERMS

Affected System – An electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Business Day – Monday through Friday, excluding Federal Holidays.

Cluster – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Cluster Request Window – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Cluster Re-Study (ies) – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Cluster Re-Study Report – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Cluster Study – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Cluster Study Agreement – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Cluster Study Report – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Distribution System – The Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and 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.

Informational Interconnection Study(ies) – Shall have the meaning set out in Section 1 of Transmission Provider's OATT, Attachment M.

Interconnection Customer – Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Provider's Transmission System.

Interconnection Facilities – The Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to interconnect the Small Generating Facility physically and electrically to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Request – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Transmission Provider's Transmission System.

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 under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service – An Interconnection Service that allows the Interconnection Customer to integrate its Generating Facility with the Transmission Provider's System in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades – Additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Provider's Transmission System to accommodate the interconnection with the Small Generating Facility to the Transmission Provider's Transmission System. Network Upgrades do not include Distribution Upgrades.

Party or Parties – The Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Transmission Provider's Transmission System.

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 the Transmission Provider.

Small Generating Facility – The Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request but shall not include the Interconnection Customer's Interconnection Facilities.

Study Process – The procedure for evaluating an Interconnection Request that includes the section 3 scoping meeting, Cluster Study, and facilities study.

Transition Cluster Study – shall have the meaning set out in Attachment M-1 of Transmission Provider's Tariff.

Transition Request – shall have the meaning set out in Attachment M-1 of Transmission Provider's Tariff.

Transmission Owner – The entity that owns, leases, or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Transmission Provider – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission System – The facilities owned, controlled, or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

Upgrades – The required additions and modifications to the Transmission Provider's Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

ATTACHMENT 2: SMALL GENERATOR INTERCONNECTION REQUEST

(Application Form)

Transmission Provider: _____
Designated Contact Person: _____
Address: _____
Telephone Number: _____
Fax: _____
E-Mail Address: _____

An Interconnection Request 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.

Preamble and Instructions

An Interconnection Customer who requests interconnection must submit this Interconnection Request by hand delivery, mail, e-mail, or fax to the Transmission Provider.

Processing Fee or Deposit

If the Interconnection Request is submitted under the Study Process, the Interconnection Customer shall submit to the Transmission Provider a deposit not to exceed $1,000 towards the cost of the Cluster Study.

Interconnection Customer Information

Legal Name of the Interconnection Customer (or, if an individual, individual's name)

Name: _____

Contact Person: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Facility Location (if different from above): _____

_____

Telephone (Day): _____ Telephone (Evening): _____

Fax: E-Mail Address:

Alternative Contact Information (if different from the Interconnection Customer)

Contact Name:

Title:

Address:

Telephone (Day): Telephone (Evening):

Fax: E-Mail Address:

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?

Net Metering? Yes No

To Supply Power to the Interconnection Customer? Yes No

To Supply Power to Others? Yes No

For installations at locations with existing electric service to which the proposed Small Generating Facility will interconnect, provide:

(Local Electric Service Provider*) (Existing Account Number*)

[*To be provided by the Interconnection Customer if the local electric service provider is different from the Transmission Provider]

Contact Name:

Title:

Address:

Telephone (Day): Telephone (Evening):

Fax: E-Mail Address:

Requested Point of Interconnection:

Interconnection Customer's Requested In-Service Date:

Small Generating Facility Information

Data apply only to the Small Generating Facility, not the Interconnection Facilities.

Energy Source: Solar Wind Hydro Hydro Type (e.g. Run-of-River):
Diesel Natural Gas Fuel Oil Other (state type)

Prime Mover: Fuel Cell Recip Engine Gas Turb Steam Turb
PV Other
Microturbine

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):
I22t or K (Heating Time Constant):
Rotor Resistance, Rr:
Stator Resistance, Rs:
Stator Reactance, Xs:
Rotor Reactance, Xr:
Magnetizing Reactance, Xm:
Short Circuit Reactance, Xd":
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 the 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 the 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):
If Microprocessor-Controlled:
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 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 the 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.

For Interconnection Customer: _____ Date: _____

ATTACHMENT 3: CERTIFICATION CODES AND STANDARDS

IEEE1547 Standard for Interconnecting Distributed Resources with Electric Power Systems (including use of IEEE 1547.1 testing protocols to establish conformity)

UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems

IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV) Systems

NFPA 70 (2002), National Electrical Code

IEEE Std C37.90.1-1989 (R1994), IEEE Standard Surge Withstand Capability (SWC) Tests for Protective Relays and Relay Systems

IEEE Std C37.90.2 (1995), IEEE Standard Withstand Capability of Relay Systems to Radiated Electromagnetic Interference from Transceivers

IEEE Std C37.108-1989 (R2002), IEEE Guide for the Protection of Network Transformers IEEE Std C57.12.44-2000, IEEE Standard Requirements for Secondary Network Protectors

IEEE Std C62.41.2-2002, IEEE Recommended Practice on Characterization of Surges in Low Voltage (1000V and Less) AC Power Circuits

IEEE Std C62.45-1992 (R2002), IEEE Recommended Practice on Surge Testing for Equipment Connected to Low-Voltage (1000V and Less) AC Power Circuits

ANSI C84.1-1995 Electric Power Systems and Equipment – Voltage Ratings (60 Hertz) IEEE Std 100-2000, IEEE Standard Dictionary of Electrical and Electronic Terms NEMA MG 1-1998, Motors and Small Resources, Revision 3

IEEE Std 519-1992, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems

NEMA MG 1-2003 (Rev 2004), Motors and Generators, Revision 1

ATTACHMENT 4: CERTIFICATION OF SMALL GENERATOR EQUIPMENT PACKAGES

1.0: 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 below 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.

2.0: The 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.

3.0: 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.

4.0: 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.

5.0: 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.

6.0: An equipment package does not include equipment provided by the utility.

7.0: 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: RESERVED

ATTACHMENT 6: RESERVED

ATTACHMENT 7: RESERVED

ATTACHMENT 8: FACILITIES STUDY AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into this day of 20 by and between , a limited liability company organized and existing under the laws of the State of , ("Interconnection Customer,") 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, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

Recitals

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on ; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System;

WHEREAS, the Transmission Provider has completed a Cluster Study and provided the results of said study to the Interconnection Customer; and

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to implement the conclusions of the system impact study in accordance with Good Utility Practice to connect the Small Generating Facility with the Transmission Provider's Transmission System physically and electrically.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0

When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.

2.0

The Interconnection Customer elects, and the Transmission Provider shall cause a facilities study consistent with the standard Small Generator Interconnection Procedures to be performed in accordance with the Open Access Transmission Tariff.

3.0

The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement and Section 3 of the SGIP.

4.0

The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the Cluster study(s). The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of the Transmission Provider's Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.

5.0

The Transmission Provider may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities.

6.0

A deposit of the good faith estimated facilities study costs may be required from the Interconnection Customer.

7.0

In cases where Upgrades are required, the facilities study must be completed within

45 Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary, and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within 30 Business Days.

8.0

Once the facilities study is completed, a "draft" facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study must be completed, and the "draft" facilities study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a facilities study.

9.0

Interconnection Customer may, within 30 Calendar Days after receipt of the draft report, provide written comments to Transmission Provider, which Transmission Provider shall include in the final report. Transmission Provider shall issue the final Interconnection Facilities Study report within 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-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 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 4.5 of the standard Small Generator Interconnection Procedures.

10.0

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.

11.0

Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.

12.0

The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.

13.0: 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 California, 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.

14.0: Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

15.0: 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.

16.0: Waiver

16.1: 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.

16.2: Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

17.0: Multiple Counterparts

This Agreement may be executed in one or more counterparts, and by the parties in separate

counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

18.0: 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.

19.0: 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.

20: 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.

20.1: 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 the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

20.2: The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

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.

[Insert name of Transmission Provider]	[Insert name of Interconnection Customer]
_____	_____
Signed	Signed
Name (Printed):	Name (Printed):
_____	_____
Title	Title

ATTACHMENT A: TO FACILITIES STUDY AGREEMENT: DATA TO BE PROVIDED BY THE INTERCONNECTION CUSTOMER WITH THE 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, etc.

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 location of auxiliary power. (Minimum load on CT/PT) Amps

One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections: _____

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 the one-line diagram).

What type of control system or PLC will be located at the Small Generating Facility?

_____

_____

What protocol does the control system or PLC use?

_____

_____

Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines.

Physical dimensions of the proposed interconnection station:

_____

Bus length from generation to interconnection station:

_____

Line length from interconnection station to Transmission Provider's Transmission System.

_____

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 Small Generating Facility located in Transmission Provider's service area?
Yes _____ No _____ If No, please provide name of local provider:

_____

Please provide the following proposed schedule dates:

Begin Construction Date:

Generator step-up transformers Date: receive back feed power

Generation Testing Date:

Commercial Operation Date:

SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA)

(For Generating Facilities No Larger Than 20 MW)

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SMALL GENERATOR INTERCONNECTION AGREEMENT

This Interconnection Agreement ("Agreement") is made and entered into this day of , 20 , by the Department of Water and Power of the City of Los Angeles, a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California ("Transmission Provider"), and ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

Transmission Provider Information

Transmission Provider:
Attention:
Address:
City: State: Zip:
Phone: Fax:

Interconnection Customer Information

Interconnection Customer:
Attention:
Address:
City: State: Zip:
Phone: Fax:

Interconnection Customer Application No:

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 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).

1.2 This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Transmission Provider's Transmission System.

1.3 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 with the applicable Transmission Provider.

1.4 Nothing in this Agreement is intended to affect any other agreement between the Transmission Provider and the Interconnection Customer.

1.5 Responsibilities of the Parties

1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.

1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.

1.5.3 The Transmission Provider shall construct, operate, and maintain its Transmission System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.

1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Transmission Provider 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. The Transmission Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Transmission Provider's Transmission System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance, and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

1.5.6 The Transmission Provider shall coordinate with all Affected Systems to support the interconnection.

1.5.7 The Interconnection Customer shall ensure “frequency ride through” capability and “voltage ride through” capability of its Small Generating Facility. The

Interconnection Customer shall enable these capabilities such that its Small Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the Transmission Provider 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 the Transmission Provider's automatic load-shed program. The Transmission Provider 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 the Transmission Provider 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 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 the Transmission Provider 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 the Transmission Provider 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.

1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to: 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the applicable system operator (s) for the Transmission Provider's Transmission System; and 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering

The Interconnection Customer shall be responsible for the Transmission Provider's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and

data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power and Primary Frequency Response

1.8.1 Power Factor Design Criteria

1.8.1.1 Synchronous Generation. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all similarly situated synchronous generators in the control area on a comparable basis.

1.8.1.2 Non-Synchronous Generation. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all similarly situated non-synchronous generators in the control 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. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of the Final Rule establishing this requirement (Order No. 827).

1.8.2 The Transmission Provider is required to pay the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Small Generating Facility when the Transmission Provider requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in article 1.8.1. In addition, if the Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay the Interconnection Customer.

1.8.3 Payments shall be in accordance with the Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved rate schedule. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously file such rate schedule at FERC or other appropriate Governmental Authority, and agree to support any request for waiver of the Commission's prior notice requirement to compensate

the Interconnection Customer from the time service commenced.

1.8.4 Primary Frequency Response. Interconnection 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. Interconnection 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 NERC 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 an approved NERC 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 NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Small Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Small Generating Facility with the Transmission System, Interconnection 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, Interconnection Customer shall operate the Small Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider 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 NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Small Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider 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. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection 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. Interconnection 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. Interconnection 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. A Commission-approved 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. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Attachment 5 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 5 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 Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Attachment 5 must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection 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 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 Interconnection 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. Interconnection 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 Capitalized Terms. Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Transmission Provider of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Transmission Provider may, at its own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Transmission Provider a written test report when such testing and inspection is completed.

2.1.2 The Transmission Provider shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Transmission Provider of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer, or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Transmission Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Transmission Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Transmission Provider shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Transmission Provider's Transmission System without prior written authorization of the Transmission Provider. The Transmission Provider will provide such authorization once the Transmission Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

2.3.1 Upon reasonable notice, the Transmission Provider may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the

interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Transmission Provider at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.

2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Transmission Provider shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

2.3.3 Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date
This Agreement shall become effective upon execution by the Parties.

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 and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article of this Agreement; or (ii) until the Generating Facility permanently ceases Commercial Operation, subject to Article 3.3.

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 The Interconnection Customer may terminate this Agreement at any time by giving the Transmission Provider 20 Business Days written notice.

3.3.2 Either Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Transmission Provider's Transmission System. 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 article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions -- "Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, the Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the Transmission Provider may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Transmission Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify the Transmission Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Transmission Provider's Transmission System or 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

The Transmission Provider may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the Transmission Provider's Transmission System when necessary for routine maintenance, construction, and repairs on the Transmission Provider's Transmission System. The Transmission Provider shall provide the Interconnection Customer with five Business Days' notice prior to such interruption. The Transmission Provider shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3 Forced Outages

During any forced outage, the Transmission Provider may suspend

interconnection service to effect immediate repairs on the Transmission Provider's Transmission System. The Transmission Provider shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Transmission Provider shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

The Transmission Provider shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the Transmission Provider's Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Transmission Provider may disconnect the Small Generating Facility. The Transmission Provider shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from the Transmission Provider before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Transmission Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the Transmission Provider's Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Transmission Provider shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of

the Interconnection Customer, such other entities, and the Transmission Provider.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Transmission Provider's Interconnection Facilities.

4.2 Distribution Upgrades

The Transmission Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

Article 5. Cost Responsibility for Network Upgrades

5.1 Applicability

No portion of this article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.

5.2 Network Upgrades

The Transmission Provider or the Transmission Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Transmission Provider elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne by the Interconnection Customer.

5.3 Special Provisions for Affected Systems

Unless the Transmission Provider provides, under this Agreement, for the repayment of amounts advanced to any applicable Affected System operators for Network Upgrades, the Interconnection Customer and Affected System operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to Affected System operator as well as the repayment by Affected System operator.

5.4 Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future, under any other agreement or tariff because of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements

or transmission credits for transmission service that is not associated with the Small Generating Facility.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Transmission Provider shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement monthly, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.

6.1.2 Within three months of completing the construction and installation of the Transmission Provider's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Transmission Provider shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Transmission Provider for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Transmission Provider shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Transmission Provider within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Transmission Provider shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Transmission Provider's

Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Transmission Provider, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Transmission Provider's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Transmission Provider under this Agreement during its term. In addition:

6.3.1 The guarantee must be made by an entity that meets the credit worthiness requirements of the Transmission Provider and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.

6.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Transmission Provider and must specify a reasonable expiration date.

Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

7.1 Assignment

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided that:

7.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the Interconnection Customer promptly notifies the Transmission Provider of any such assignment.

7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the written consent of the Transmission Provider, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Transmission Provider of any such assignment.

7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, prior written consent to assignment will not be unreasonably withheld, conditioned, or delayed. The General Manager of LADWP, and/or his/her designee, is authorized to grant the consents contemplated by

this Article on behalf of LADWP.

7.2 Limitation of Liability

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.

7.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

7.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

7.4 Consequential Damages

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, business interruption, 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.

7.5 Force Majeure

7.5.1 A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence (which does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to the additional requirement of a Force Majeure Written Notice set forth in Article 7.5.2.

7.5.2 A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall provide the Force Majeure Immediate Notice pursuant to Article 7.5.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set forth above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure event or the result of an

act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article 8. Insurance

8.1 Additional Insured Status Required.
Interconnection Customer shall procure at its own expense, and keep in effect at all times during the term of this Agreement, the types and amounts of insurance specified on the attached Contract Insurance Requirements page. The specified insurance shall also, either by provisions in the policies, by the City of Los Angeles' (the "City") own endorsement form or by other endorsement attached to such policies, be in a form acceptable to the Risk Manager of Transmission Provider (hereinafter referred to as "Risk Manager") and the Office of City Attorney, include and insure City, Transmission Provider, its Board of Commissioners (hereinafter referred to as "Board"), and all of its officers, employees and agents, their successors and assigns, as Additional Insureds (except for Workers' Compensation), against the area of risk described herein as respects Interconnection Customer's acts or omissions in its performance of the agreement, hereunder or other related functions performed by or on behalf of Interconnection Customer. Acceptance of the submitted evidence of insurance shall not be unreasonably withheld. Such insurance shall not limit or qualify the liabilities and obligations of the Interconnection Customer assumed under the contract.

8.2 Severability of Interests and Cross Liability Required.
Each specified insurance policy (other than Workers' Compensation and Employers' Liability and Property coverage) shall contain a Severability of Interest and Cross Liability clause which states in effect, "It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability," and a Contractual Liability Endorsement which shall state in effect, "Such insurance as is afforded by this policy shall also apply to liability assumed by the insured under this

Agreement with the City of Los Angeles."

8.3 Primary and Non-Contributory Insurance Required.
All such insurance shall be Primary and Noncontributing with any other insurance held by Transmission Provider where liability arises out of or results from the acts or omissions of Interconnection Customer, its agents, employees, officers, assigns, or any person or entity acting for or on behalf of Interconnection Customer. Any insurance carried by Transmission Provider which may be applicable shall be deemed to be excess insurance and the Interconnection Customer's insurance is primary for all purposes despite any conflicting provision in the Interconnection Customer's policies to the contrary.

8.4 Deductibles Subject to Transmission Provider's Discretion.
Deductibles and/or self-insured retentions shall be at the sole discretion of the Risk Manager. The Transmission Provider shall have no liability for any premiums charged for such coverage(s). The inclusion of the Transmission Provider, its Board, and all of its officers, employees and agents, and their agents and assigns, as additional insureds, is not intended to, and shall not, make them, or any of them a partner or joint venturer with Interconnection Customer in its operations.

8.5 Proof of Insurance for Renewal or Extension Required.
At least thirty (30) days after the expiration date of any of the policies required on the attached Contract Insurance Requirement page, documentation showing that the insurance coverage has been renewed or extended shall be filed with the Transmission Provider. If such coverage is canceled or reduced in coverage, Interconnection Customer shall, within fifteen (15) days of such cancellation or reduction of coverage, file with Transmission Provider evidence that the required insurance has been reinstated or provided through another insurance company or companies.

8.6 Submission of Acceptable Proof of Insurance and Notice of Cancellation.
Interconnection Customer shall provide proof to the Risk Manager of all specified insurance and related requirements either by production of the actual insurance policy(ies), by use of Transmission Provider's own endorsement form(s), or by other written evidence of insurance acceptable to the Risk Manager, but always in a form acceptable to the Risk Manager and the Office of the City Attorney. Acceptance of the submitted evidence of insurance shall not be unreasonably withheld. The documents evidencing all specified coverage shall be filed with Transmission Provider prior to Interconnection Customer beginning operations hereunder. Said proof shall contain at a minimum, the applicable policy number, the inclusive dates of policy coverage, the date the protection begins for Transmission Provider, and the insurance carrier's name. It shall bear an original signature of an authorized representative of said carrier, and shall provide that such insurance shall not be subject to cancellation, material reduction in coverage or non-renewal except after written notice by certified mail, return receipt requested, to the City Attorney of the City of Los Angeles at least thirty (30) calendar days prior to the effective date thereof. Seller may provide the required notice consistent with the time frame

specified herein. The notification shall be sent by registered mail to: Risk Management Section, L.A. Water and Power, Post Office Box 51111, JFB Room 465, Los Angeles, California 90051-0100.

8.7 Claims-Made Insurance Conditions.

Should any portion of the required insurance be on a "Claims Made" policy, the Interconnection Customer shall, at the policy expiration date following completion of work, provide evidence that the "Claims Made" policy has been renewed or replaced with the same limits, terms and conditions of the expiring policy, or that an extended three (3) years discovery period has been purchased on the expiring policy at least for the contract under which the work was performed.

8.8 Failure to Maintain and Provide as Cause for Termination.

Failure to maintain and provide acceptable evidence of the required insurance for the required period of coverage shall constitute a breach of contract, upon which Transmission Provider may immediately terminate or suspend the agreement.

8.9 Periodic Right to Review/Update Insurance Requirements.

The Transmission Provider and Interconnection Customer agree that the insurance policy limits specified on the attached Contract Insurance Requirements page may be reviewed for adequacy annually throughout the term of this Agreement by the Risk Manager/City Attorney, who may thereafter require Interconnection Customer to adjust the amounts and types of insurance coverage however the Risk Manager/City Attorney deems to be adequate and necessary. Transmission Provider reserves the right to have submitted to it, upon request, all pertinent information about the agent and carrier providing such insurance, including applicable license and ratings.

8.10 Specific Insurance Requirements.

See Attachment "Contract Insurance Requirements."

8.11 Limitation of Liability and Release.

TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

Article 9. Confidentiality

9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.

9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages and may seek other remedies available at law or in equity for breach of this provision.

9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other

Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

9.4 CPRA, Brown Act

In addition to the foregoing provisions under this Article 9.4, Interconnection Customer acknowledges that Transmission Provider is subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§ 6250 et seq. ("CPRA") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 et. seq. ("Brown Act"). Requests for information made directly to Transmission Provider pursuant to CPRA will be managed in a similar manner identified within Article 9.3. For purposes of the Brown Act, the Parties shall adhere to the provisions of Article 9.1 to maintain confidentiality.

Article 10. Disputes

10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.

10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute. Such Notice of Dispute shall not be deemed a waiver of the requirements of, nor construed as compliance with, California Government Code Section 910 et seq., or any successor statute.

10.3 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

10.4 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 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"); provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 10, the terms of this Article 10 shall prevail.

10.5 Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this SGIA 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.

10.6 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.

10.7 If the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement; provided that, any dispute arising out of or relating to this SGIA shall be brought in a state or federal court in the County of Los Angeles in the State of California. Each Party irrevocably agrees to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens*.

Article 11. Taxes

11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with Internal Revenue Service requirements.

11.2 Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Transmission Provider's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

12.1 Governing Law, Regulatory Authority, and Rules

The validity, interpretation, and enforcement of this Agreement and each of its provisions shall be governed by and enforced in accordance with the laws of the State of California, as if executed and to be performed wholly within the State of California. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

12.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver

12.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

12.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement

This Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts

This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on

behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects all Transmission Providers, market participants, and Interconnection Customers interconnected to electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

12.11.1 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 the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its

subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 Reserved.

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national currier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

If to the Transmission Provider:

Transmission Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____

Transmission Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

If to the Transmission Provider:

Transmission Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

Transmission Provider's Operating Representative:

Transmission Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

13.5 Changes to the Notice Information

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Article 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For the Transmission Provider

Name: _____

Title: _____

Date: _____

For the Interconnection Customer

Name: _____

Title: _____

Date: _____

Attachment 1

Glossary of Terms

Affected System – An electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Applicable Laws and Regulations – All duly promulgated applicable federal, state, and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Business Day – Monday through Friday, excluding Federal Holidays.

Default – The failure of a breaching Party to cure its breach under the Small Generator Interconnection Agreement.

Distribution System – The Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to affect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Force Majeure - Any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, or 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.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer, the Interconnection Provider, or any Affiliate thereof. In this context Interconnection Provider does not include the City of Los Angeles or the Board of Water and Power Commissioners. Interconnection Provider only includes the

Department of Water and Power.

Interconnection Customer – Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Provider's Transmission System.

Interconnection Facilities – The Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to interconnect the Small Generating Facility physically and electrically to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Request – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Transmission Provider's Transmission System.

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 the Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Provider's Transmission System to accommodate the interconnection of the Small Generating Facility with the Transmission Provider's Transmission System. Network Upgrades do not include Distribution Upgrades.

Operating Requirements – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, Independent System Operator, control area, or the Transmission Provider's requirements, including those set forth in the Small Generator Interconnection Agreement.

Party or Parties – The Transmission Provider, Transmission Owner, Interconnection Customer, or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Transmission Provider's Transmission System.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Small Generating Facility – The Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request but shall not include the Interconnection Customer's Interconnection Facilities.

Tariff – The Transmission Provider or Affected System's Tariff through which open access

transmission service and Interconnection Service are offered, as amended or supplemented from time to time, or any successor tariff.

Transmission Owner – The entity that owns, leases, or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Transmission Provider – The transmitting utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission System – The facilities owned, controlled, or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

Upgrades – The required additions and modifications to the Transmission Provider's Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Attachment 2

Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, the Transmission Provider, or the Transmission Owner. The Transmission Provider will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

Attachment 3

One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

Attachment 4

Milestones

In-Service Date: _____

Critical milestones and responsibility as agreed to by the Parties:

	Milestone/Date	Responsible Party
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

Agreed to by:

For the Transmission Provider _____ Date _____

For the Transmission Owner (If Applicable) _____ Date _____

For the Interconnection Customer _____ Date _____

Attachment 5

Additional Operating Requirements for the Transmission Provider's Transmission System and Affected Systems Needed to Support the Interconnection Customer's Needs

The Transmission Provider shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the Transmission Provider's Transmission System.

Attachment 6

Transmission Provider's Description of its Upgrades and Best Estimate of Upgrade Costs

The Transmission Provider shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Transmission Provider shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

ATTACHMENT O

Energy Imbalance Market

1. General Provision - Purpose and Effective Date of Attachment O

Attachment O provides for Transmission Provider's participation as the LADWP EIM Entity in the EIM administered by the MO. This Attachment O should be read in conjunction with the LADWP EIM BP.

Attachment O shall be in effect upon its acceptance by the Transmission Provider's Board of Commissioners and Los Angeles City Council, with the exceptions provided below, for as long as Transmission Provider implements the EIM and until all final settlements are finalized resulting from such implementation. Sections 4.1.5, 4.1.6, 8 and 10 of this Attachment O take effect no earlier than April 1, 2021, or the implementation date of Transmission Provider's participation in the EIM, whichever is later. All other sections of this Attachment O take effect no earlier than January 1, 2021 or seven (7) days prior to the start of parallel operations.

This Attachment O shall apply to: (1) all Transmission Customers and Interconnection Customers, as applicable, with new and existing service agreements under Parts II and III and Attachments M and O of this Tariff, (2) all transmission customers with legacy transmission agreements that pre-existed this Tariff and that expressly incorporate by reference the applicability of LADWP's Tariff and/or this Attachment O in particular, and (3) Transmission Provider's use of the transmission system for service to Native Load Customers. To the extent an Interconnection Customer controls the output of a generator located in LADWP's BAA, the LADWP EIM Entity may require the Interconnection Customer to comply with a requirement in this Attachment O that on its face applies to a Transmission Customer to the extent that the LADWP EIM Entity makes a determination, in its sole discretion, that the Interconnection Customer is the more appropriate party to satisfy the requirements of Attachment O than any Transmission Customer.

This Attachment O shall work in concert with the provisions of the MO Tariff implementing the EIM to support operation of the EIM. To the extent that this Attachment O is inconsistent with a provision in the remainder of this Tariff with regard to the LADWP EIM Entity's administration of the EIM, this Attachment O shall prevail.

This Attachment O governs the relationship between the LADWP EIM Entity and all Transmission Customers and Interconnection Customers subject to this Tariff. This

Attachment O does not establish privity between Transmission Customers and the MO or make a Transmission Customer subject to the MO Tariff. Any Transmission Customer duties and obligations related to the EIM are those identified in this Tariff, unless the Transmission Customer voluntarily elects to participate directly in the EIM with LADWP EIM Participating Resources, in which case the MO Tariff provisions for EIM Participating Resources and EIM Participating Resource Scheduling Coordinators shall also apply.

2. Election of Transmission Customers to become LADWP EIM Participating Resources

The decision of a Transmission Customer to participate in the EIM with resources as LADWP EIM Participating Resources is voluntary. A Transmission Customer that chooses to have a resource become an LADWP EIM Participating Resource must:

(i) Meet the requirements specified in Section 3 of this Attachment O and the LADWP EIM BP;

(ii) Become or retain a MO-certified EIM Participating Resource Scheduling Coordinator; and

(iii) Follow the application and certification process specified in this Attachment O and the LADWP EIM BP posted on the Transmission Provider's OASIS.

Transmission Customers which own or control multiple resources may elect to have any or all of their resources be LADWP EIM Participating Resources, in which case any resources that are not elected by the Transmission Customer to be LADWP EIM Participating Resources shall be treated as Non-Participating Resources for purposes of this Attachment O.

3. Eligibility to be an LADWP EIM Participating Resource

3.1 Internal Resources - Transmission Rights

Resources owned or controlled by Transmission Customers and located within the metered boundaries of LADWP's BAA are eligible to become LADWP EIM Participating Resources. The Transmission Customer that owns or controls the resource must have associated transmission rights based on one of the following:

(i) The resource is a designated Network Resource of a Network Customer and the Network Customer elects to participate in the EIM through its Network Integration Transmission Service Agreement; or

(ii) The resource is associated with either (i) a Service Agreement for Firm Point-to-Point Transmission Service or (ii) a Service Agreement for Non-Firm Point-to-Point Transmission Service, and such Transmission Customer elects to participate in the EIM.

3.2 Resources External to LADWP EIM Entity BAA

3.2.1 Use of Pseudo-Ties

A resource owned or controlled by a Transmission Customer that is not physically located inside the metered boundaries of LADWP's BAA may participate in the EIM as an LADWP EIM Participating Resource if the Transmission Customer: (1) implements a Pseudo-Tie into LADWP's BAA, consistent with LADWP's business practice posted on Transmission Provider's OASIS; (2) has arranged firm transmission over any third-party transmission systems to an LADWP EIM Entity BAA intertie boundary equal to the amount of energy that will be Dynamically Transferred through a Pseudo- Tie into the LADWP EIM Entity BAA, consistent with LADWP's business practice posted on Transmission Provider's OASIS; and (3) has secured transmission service consistent with Section 3.1 of this Attachment O.

3.2.2 Pseudo-Tie Costs

Pseudo-Tie implementation costs shall be allocated in a manner consistent with the treatment of Network Upgrades and Direct Assignment Facilities to facilitate a Pseudo-Tie into LADWP EIM Entity BAA.

3.3 Application and Certification of LADWP EIM Participating Resources

This section should be read in conjunction with the LADWP EIM BP.

3.3.1 Application

To register a resource to become an LADWP EIM Participating Resource, an applicant must submit a completed application and shall provide a deposit of $1,500 for the LADWP EIM Entity to process the application. Upon completion of processing the completed application, the LADWP EIM Entity shall charge and the applicant shall pay the actual costs of the application processing. Any difference between the deposit and the actual costs of the application processing shall be paid by or refunded (without interest) to the LADWP EIM Participating Resource applicant, as appropriate. At the time of application, any LADWP EIM Participating Resource applicant must elect to perform the

duties of either a CAISO Metered Entity or Scheduling Coordinator Metered Entity, consistent with the MO's requirements, as applicable.

3.3.2 **Processing the Application**

The LADWP EIM Entity shall make a determination as to whether to accept or reject the application within 45 days of receipt of the application. At minimum, the LADWP EIM Entity shall validate through the application that the LADWP EIM Participating Resource applicant has satisfied Sections 3.1 and 3.2 of this Attachment O, as applicable, and met minimum telemetry and metering requirements, as set forth in the MO's requirements and the LADWP EIM BP. Within 45 days of receipt of the application and in accordance with the process outlined in the LADWP EIM BP, the LADWP EIM Entity may request additional information and will attempt to resolve any minor deficiencies in the application with the Transmission Customer. The LADWP EIM Entity may extend the 45-day period to accommodate the resolution of minor deficiencies in the application in order to make a determination on an application. If the LADWP EIM Entity approves the application, it shall send notification of approval to both the LADWP EIM Participating Resource applicant and the MO. If the LADWP EIM Entity rejects the application, the LADWP EIM Entity shall send notification stating the grounds for rejection to the LADWP EIM Participating Resource applicant. Upon request, the LADWP EIM Entity may provide guidance to the applicant as to how the LADWP EIM Participating Resource applicant may cure the grounds for the rejection. In the event that the LADWP EIM Entity has granted an extension of the 45-day period but the applicant has neither provided the additional requested information nor otherwise resolved identified deficiencies within six (6) months of the LADWP EIM Entity's initial receipt of the application, the application shall be deemed rejected by the LADWP EIM Entity. If an application is rejected, the LADWP EIM Participating Resource applicant may resubmit its application at any time (including submission of a new processing fee deposit).

3.3.3 **Certification Notice**

Upon approval of an application and in accordance with the process specified in the LADWP EIM BP, certification by the LADWP EIM Entity of the LADWP EIM Participating Resource to participate in the EIM shall occur once the Transmission Customer has demonstrated and the MO has confirmed that the Transmission Customer has:

(i) Met the MO's criteria to become an EIM Participating Resource and executed the MO's pro forma EIM Participating Resource Agreement;

(ii) Qualified to become or retained the services of a MO-certified EIM Participating Resource Scheduling Coordinator;

(iii) Met the necessary metering requirements of this Tariff and Section 29.10 of the MO Tariff and the EIM Participating Resource Scheduling Coordinator has executed the MO's pro forma Meter Service Agreement for Scheduling Coordinators; and

(iv) Met communication and data requirements of this Tariff and Section 29.6 of the MO Tariff; and has the ability to receive and implement Dispatch Instructions every five minutes from the MO.

Upon receiving notice from the MO of the completion of the enumerated requirements by the Transmission Customer, the LADWP EIM Entity shall provide notice to both the Transmission Customer with an LADWP EIM Participating Resource and the MO that the LADWP EIM Participating Resource is certified and therefore eligible to participate in the EIM.

3.3.4 Status of Resource Pending Certification

If the Transmission Customer: (i) has submitted an application for a resource to be an LADWP EIM Participating Resource but the application has not been approved; or (ii) has not yet been certified by the LADWP EIM Entity consistent with Section 3.3.3 of this Attachment O, the resource shall be deemed to be a Non-Participating Resource.

3.3.5 Notice and Obligation to Report a Change in Information

Each Transmission Customer with an LADWP EIM Participating Resource has an ongoing obligation to inform the LADWP EIM Entity of any changes to any of the information submitted as part of the application process under this Attachment O. This information includes, but is not limited to:

(i) Any change in the LADWP EIM Participating Resource Scheduling Coordinator representing the resource;

(ii) Any change in the ownership or control of the resource;

(iii) Any change to the physical characteristics of the resource required to be reported to the MO in accordance with Section 29.4(c)(4)(C) of the MO Tariff; or

(iv) If either the MO terminates the participation of the LADWP EIM Participating Resource in the EIM or the Transmission Customer has terminated the LADWP EIM Participating Resource's participation in the EIM; in either case, that resource shall be considered to be a Non-Participating Resource for purposes of this Tariff, including Attachment O.

4. Roles and Responsibilities

4.1 Transmission Provider as the LADWP EIM Entity and the LADWP EIM Entity Scheduling Coordinator

4.1.1 Responsibilities

4.1.1.1 Identification of EIM Entity Scheduling Coordinator

The LADWP EIM Entity can serve as the LADWP EIM Entity Scheduling Coordinator or retain a third party to perform such role. If the LADWP EIM Entity is not the LADWP EIM Entity Scheduling Coordinator, the LADWP EIM Entity shall communicate to the LADWP EIM Entity Scheduling Coordinator the information required by the LADWP EIM Entity Scheduling Coordinator to fulfill its responsibilities in the EIM.

The LADWP EIM Entity Scheduling Coordinator shall coordinate and facilitate the EIM in accordance with the requirements of the MO Tariff. The LADWP EIM Entity Scheduling Coordinator must meet the certification requirements of the MO and enter into any necessary MO agreements.

4.1.1.2 Processing LADWP EIM Participating Resource Applications

The LADWP EIM Entity shall be responsible for processing applications of Transmission Customers seeking authorization to participate in the EIM with resources as LADWP EIM Participating Resources in accordance with Section 3.3 of this Attachment O.

4.1.1.3 Determination of EIM Implementation Decisions for LADWP's BAA

The LADWP EIM Entity is solely responsible for making any decisions with respect to EIM participation that the MO requires of EIM Entities. The LADWP EIM Entity has made the following determinations:

(i) Eligibility requirements: Eligibility requirements are set forth in Section 3 of Attachment O.

(ii) Load Aggregation Points: There shall be one LAP for LADWP's BAA.

(iii) MO load forecast: The LADWP EIM Entity shall utilize the MO load forecast but shall retain the right to provide the load forecast to the MO in accordance with the MO Tariff.

(iv) MO metering agreements: The LADWP EIM Entity and all Transmission Customers with LADWP EIM Participating Resources shall have the option to elect to be Scheduling Coordinator Metered Entities or CAISO Metered Entities in accordance with Section 29.10 of the MO Tariff. The LADWP EIM Entity shall be a Scheduling Coordinator Metered Entity on behalf of all Transmission Customers with Non-Participating Resources in accordance with Section 29.10 of the MO Tariff.

4.1.1.4 LADWP EIM Business Practice

The LADWP EIM Entity shall establish and revise, as necessary, procedures to facilitate implementation and operation of the EIM through the LADWP EIM BP that shall be posted on the Transmission Provider's OASIS.

4.1.1.5 Determination to Take Corrective Actions or Permanently Terminate Participation in the EIM

The LADWP EIM Entity may take corrective actions in LADWP's BAA in accordance with the requirements of Section 10.3 of Attachment O.

In addition, the LADWP EIM Entity, in its sole and absolute discretion, may permanently terminate its participation in the EIM by providing notice of termination to the MO pursuant to applicable agreements.

4.1.2 Responsibilities of the LADWP EIM Entity to Provide Required Information

4.1.2.1 Provide Modeling Data to the MO

The LADWP EIM Entity shall provide the MO information associated with transmission facilities within LADWP's BAA, including, but not limited to, network constraints and associated limits that must be observed in LADWP's BAA network and interties with other BAAs.

4.1.2.2 Registration

The LADWP EIM Entity shall register all Non-Participating Resources with the MO. The LADWP EIM Entity may choose to obtain default energy bids from the MO for Non-Participating Resources that are Balancing Authority Area Resources. The LADWP EIM Entity shall update this information in accordance with the MO's requirements as revised information is received from Transmission Customers with Non-Participating Resources in accordance with Section 4.2.1.2 of this Attachment O.

4.1.3 Day-to-Day EIM Operations

4.1.3.1 Submission of Transmission Customer Base Schedule, Forecast Data for Non-Participating Resources that are Variable Energy Resources, and Resource Plans

The LADWP EIM Entity is responsible for providing the data required by the MO in accordance with Section 29.34 of the MO Tariff, including but not limited to: (1) hourly Transmission Customer Base Schedules; (2) Forecast Data for Non-Participating Resources that are Variable Energy Resources; and (3) Resource Plans.

4.1.3.2 Communication of Manual Dispatch Information

The LADWP EIM Entity shall inform the MO of a Manual Dispatch by providing adjustment information for the affected resources in accordance with Section 29.34 of the MO Tariff.

4.1.3.3 Confirmation

The MO shall calculate, and the LADWP EIM Entity shall confirm, actual values for Dynamic Schedules reflecting EIM Transfers to the MO within 60 minutes after completion of the Operating Hour to ensure the e-Tag author will be able to update these

values in accordance with WECC policies and industry standards through an update to the e-Tag. If WECC policies and industry standards are modified such that the 60-minute time frame set forth in the preceding sentence is no longer sufficient to enable compliance with the WECC policies and industry standards, Transmission Provider shall specify in its EIM BP the applicable time frame necessary to remain compliant.

4.1.3.4 Dispatch of EIM Available Balancing Capacity of a Non-Participating Resource

Upon notification by the MO, the LADWP EIM Entity shall notify the Non-Participating Resource of the Dispatch Operating Point for any EIM Available Balancing Capacity from the Non-Participating Resource, except in circumstances in which the LADWP EIM Entity determines the additional capacity is not needed for the BAA or has taken other actions to meet the capacity need.

4.1.4 Provision of Meter Data

The LADWP EIM Entity shall submit load, resource, and Interchange meter data to the MO in accordance with the format and timeframes required in the MO Tariff on behalf of Transmission Customers with Non-Participating Resources, loads, and Interchange.

4.1.5 Settlement of MO Charges and Payments

The LADWP EIM Entity shall be responsible for financial settlement of all charges and payments allocated by the MO to the LADWP EIM Entity. The LADWP EIM Entity shall sub-allocate EIM charges and payments in accordance with Schedules 1, 1A, 4, and 9 of this Tariff or Section 8 of Attachment O, as applicable.

4.1.6 Dispute Resolution with the MO

The LADWP EIM Entity shall manage dispute resolution with the MO for the LADWP EIM Entity settlement statements consistent with Section 29.13 of the MO Tariff, Section 12 of this Tariff, and the LADWP EIM BP. Transmission Customers with LADWP EIM Participating Resources shall manage dispute resolution with the MO for any settlement statements they receive directly from the MO.

4.2 Transmission Customer Responsibilities

The following Transmission Customers must comply with the information requirements of this section: (1) Transmission Customers with an LADWP EIM Participating

Resource; (2) Transmission Customers with a Non-Participating Resource; (3) Transmission Customers with load within LADWP's BAA; and (4) subject to the limitations identified in Section 4.2.4.5.1 of this Attachment O, Transmission Customers wheeling through LADWP's BAA. This section should be read in conjunction with the LADWP EIM BP.

4.2.1 Initial Registration Data

4.2.1.1 Transmission Customers with an LADWP EIM Participating Resource

A Transmission Customer with an LADWP EIM Participating Resource shall provide the LADWP EIM Entity with the data necessary to meet the requirements established by the MO to register all resources with the MO as required by Section 29.4(e)(4)(D) of the MO Tariff.

4.2.1.2 Transmission Customers with a Non-Participating Resource

A Transmission Customer with Non-Participating Resources shall provide the LADWP EIM Entity with data necessary to meet the requirements established by the MO as required by Section 29.4(c)(4)(C) of the MO Tariff.

4.2.2 Responsibility to Update Required Data

4.2.2.1 Transmission Customers with an LADWP EIM Participating Resource

Each Transmission Customer with an LADWP EIM Participating Resource has an ongoing obligation to inform the MO and LADWP EIM Entity of any changes to any of the information submitted by the Transmission Customer provided under Section 4.2.1 of this Attachment O that reflects changes in operating characteristics as required by Section 29.4(e)(4)(D) of the MO Tariff.

4.2.2.2 Transmission Customers with Non-Participating Resources

Each Transmission Customer with a Non-Participating Resource has an ongoing obligation to inform the LADWP EIM Entity of any changes to any of the information

submitted by the Transmission Customer with a Non-Participating Resource provided under Section 4.2.1 of this Attachment O.

4.2.3 Outages

Transmission Customers with LADWP EIM Participating Resources and Transmission Customers with Non-Participating Resources shall be required to provide planned and unplanned outage information for their resources in accordance with Section 7 of this Attachment O.

4.2.4 Submission of Transmission Customer Base Schedule

Every Transmission Customer (including Transmission Customers which do not have any resources or load within LADWP's BAA) shall submit the Transmission Customer Base Schedule to the LADWP EIM Entity. This submission must include Fore cast Data on all resources, Interchange, and Intrachange which balance to the Transmission Customer's anticipated load, as applicable. If the Transmission Customer does not serve load within LADWP's BAA, submission of the Transmission Customer Base Schedule shall balance to the Transmission Customer's anticipated actual generation within LADWP's BAA. The submissions shall be in the format and within the timing requirements established by the MO and the LADWP EIM Entity as required in Section 4.2.4.5 of this Attachment O and the LADWP EIM BP.

4.2.4.1 Transmission Customers with an LADWP EIM Participating Resource or Non-Participating Resource in the LADWP EIM Entity BAA

A Transmission Customer with an LADWP EIM Participating Resource or a Non-Participating Resource is not required to submit Forecast Data for:

(i) resources located in LADWP EIM Entity BAA that are less than three MW; or

(ii) behind-the-meter generation which is not contained in the MO's network model.

Each LADWP EIM Participating Resource Scheduling Coordinator shall provide to the LADWP EIM Entity:

(i) the energy bid range data (without price information) of the respective resources it represents that are participating in the EIM; and

(ii) Dispatch Operating Point data of the respective resources it represents that are participating in the EIM.

4.2.4.2 Transmission Customers with Non-Participating Resources that are Variable Energy Resources

4.2.4.2.1 Resource Forecasts

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall submit (i) resource Forecast Data with hourly granularity and (ii) resource Forecast Data with 5-minute or 15-minute granularity. A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall provide, at minimum, a three-hour rolling forecast with 15-minute granularity, updated every 15 minutes, and may provide, in the alternative, a three-hour rolling forecast with 5-minute granularity, updated every 5 minutes.

4.2.4.2.2 Method of submission

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall submit resource Forecast Data consistent with this Section 4.2.4.2 using any one of the following methods:

(i) The Transmission Customer may elect to use the LADWP EIM Entity's Variable Energy Resource reliability forecast prepared for Variable Energy Resources within LADWP's BAA, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to Schedule 9 of this Tariff;

(ii) The Transmission Customer may elect to self-supply the Forecast Data and provide such data to the LADWP EIM Entity, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to Schedule 9 of this Tariff; or

(iii) The Transmission Customer may elect that the MO produce Forecast Data for the Variable Energy Resource, made available to the Transmission Customer in a manner consistent with Section 29.11 (j)(1) of the MO Tariff, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to Schedule 9 of this Tariff.

4.2.4.2.3 Timing of submission

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource must elect one of the above methods prior to either: (1) the date LADWP joins the EIM or (2) the date the Non-Participating Resource interconnects to LADWP's BAA. A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource may change its election by providing advance notice to the LADWP EIM Entity.

To the extent a Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource elects method (2) above, and such Transmission Customer fails to submit resource Forecast Data for any time interval as required by this Section 4.2.4.2 of this Attachment O, the LADWP EIM Entity shall apply method (1) for purposes of settlement pursuant to Schedule 9 of this Tariff.

4.2.4.3 Transmission Customers with Load

As set forth in Sections 4.2.4 of this Attachment O, a Transmission Customer is required to submit Forecast Data on all resources, Interchange, and Intrachange which balance to the Transmission Customer's anticipated load, as applicable.

For purposes of settling Energy Imbalance Service pursuant to Schedule 4 of this Tariff, the LADWP EIM Entity shall calculate the load component of the Transmission Customer Base Schedule as the resource Forecast Data net of its Interchange Forecast Data and net of its Intrachange Forecast Data, as applicable.

4.2.4.4 Transmission Customers Without Resources or Load in LADWP's EIM Entity BAA

A Transmission Customer which does not have any resources or load within LADWP's EIM Entity BAA shall submit a Transmission Customer Base Schedule that includes Interchange and Intrachange Forecast Data to the LADWP EIM Entity.

4.2.4.5 Timing of Transmission Customer Base Schedules Submission.

4.2.4.5.1 Preliminary Submission of Transmission Customer Base Schedules by Transmission Customers with Resources or Load in the LADWP EIM Entity BAA.

Transmission Customers with resources or load in the LADWP EIM Entity BAA shall submit their initial Transmission Customer Base Schedules 7 days prior to each Operating Day ("T - 7 days"). Transmission Customers may modify the proposed Transmission Customer Base Schedule at any time but shall submit at least one update by 10 a.m. of the day before the Operating Day.

4.2.4.5.2 Final Submissions of Transmission Customer Base Schedules

Transmission Customers shall submit proposed final Transmission Customer Base Schedules, at any time but no later than 77 minutes prior to each Operating Hour ("T-77"). Transmission Customers may modify Transmission Customer Base Schedules up to and until 57 minutes prior to the Operating Hour ("T-57"). As of 55 minutes prior to each Operating Hour ("T-55"), the Transmission Customer Base Schedule data for the Operating Hour will be considered financially binding and Transmission Customers may not submit further changes. If the Transmission Customer fails to enter a Forecast Data value, the default will be 0 MW for that Operating Hour.

4.2.5 Metering for Transmission Customers with Non-Participating Resources

To assess imbalance, the MO shall disaggregate meter data into 5-minute intervals if the meter intervals are not already programmed to 5-minute intervals pursuant to a Transmission Customer's applicable interconnection requirements associated with any agreement pursuant to the form of Large Generator Interconnection Agreement found in Attachment M of this Tariff. To the extent that a Transmission Customer owns the meter or owns the communication to the meter, the Transmission Customer shall be responsible to maintain accurate and timely data accessible for the LADWP EIM Entity to comply with Section 4.1.4 of this Attachment O.

5. Transmission Operations

5.1 Provision of Information Regarding Real-Time Status of the Transmission Provider's Transmission System

(i) real time data for the Transmission System and interties; and

(ii) any changes to transmission capacity and the Transmission System due to operational circumstances.

5.2 Provision of EIM Transfer Capacity by an LADWP Interchange Rights Holder

The LADWP EIM Entity shall facilitate the provision of transmission capacity for EIM Transfers offered by an LADWP Interchange Rights Holder by providing the MO with information about the amounts made available by the LADWP Interchange Rights Holder for EIM Transfers. The provision of EIM Transfer capacity shall be implemented through the LADWP Interchange Rights Holder's submission of an e-Tag by 75 minutes prior to the Operating Hour ("T-75").

The LADWP Interchange Rights Holder shall include on the e-Tag the OASIS identification reservation number(s) associated with the transmission rights made available for EIM Transfers and shall also include the ~~Market Operator~~MO, all transmission providers, and path operators associated with the OASIS identification reservation number(s) identified on the e-Tag. The LADWP Interchange Rights Holder's rights associated with the submitted e-Tag shall be available for the EIM, subject to approval of the e-Tag by all required e-Tag approval entities. The amount made available for EIM Transfers shall never exceed the LADWP Interchange Rights Holder's transmission rights.

5.3 Provision of EIM Transfer Capability by the LADWP EIM Entity

The LADWP EIM Entity shall facilitate the provision of transmission capacity for EIM Transfers by providing the MO with information about the amounts available for EIM Transfers utilizing Available Transfer Capability ("ATC"). Such amounts shall be in addition to any amounts made available by LADWP Interchange Rights Holders pursuant to Section 5.2 of this Attachment O. The provision of EIM Transfer capacity corresponding to ATC shall be implemented by 40 minutes prior to the Operating Hour ("T-40") by the LADWP EIM Entity. The LADWP EIM Entity shall include an e-Tag, with an OASIS identification reservation number(s) created for EIM Transfers utilizing

ATC, and shall also include the MO, all transmission providers, and path operators associated with the OASIS identification reservation number(s) identified in the e-Tag. The amount of ATC indicated on the e-Tag will be based upon the lower of the amount of ATC calculated by each EIM Entity at that interface by T-40. The ATC associated with the submitted e-Tag shall be available for the EIM, subject to approval of the e-Tag by all required e-Tag approval entities.

6. System Operations Under Normal and Emergency Conditions

6.1 Compliance with Reliability Standards

Participation in the EIM shall not modify, change, or otherwise alter the manner in which the Transmission Provider operates its Transmission System consistent with applicable reliability standards, including adjustments.

Participation in the EIM shall not modify, change, or otherwise alter the obligations of the LADWP EIM Entity, Transmission Customers with LADWP EIM Participating Resources, or Transmission Customers with Non-Participating Resources to comply with applicable reliability standards.

The LADWP EIM Entity shall remain responsible for:

(i) maintaining appropriate operating reserves and for its obligations pursuant to any reserve sharing group agreements;

(ii) NERC and WECC responsibilities including, but not limited to, informing the Reliability Coordinator of issues within LADWP's BAA;

(iii) processing e-Tags and managing schedule curtailments at the interties; and

(iv) monitoring and managing real-time flows within system operating limits on all transmission facilities within LADWP's BAA, including facilities of LADWP BAA Transmission Owners. If requested by a Transmission Customer that is also an LADWP BAA Transmission Owner, the LADWP EIM Entity will provide additional information or data related to EIM operation as it may relate to facilities of an LADWP BAA Transmission Owner.

6.2 Good Utility Practice

The LADWP EIM Entity, Transmission Customers with Non-Participating Resources, and Transmission Customers with LADWP EIM Participating Resources shall comply with Good Utility Practice with respect to this Attachment O.

6.3 Management of Contingencies and Emergencies

6.3.1 EIM Disruption

If the MO declares an EIM disruption in accordance with Section 29.7(j) of the MO Tariff, the LADWP EIM Entity shall, in accordance with Section 29.7(j)(4) of the MO Tariff, promptly inform the MO of actions taken in response to the EIM disruption by providing adjustment information, updates to e-Tags, transmission limit adjustments, or outage and de-rate information, as applicable.

6.3.2 Manual Dispatch

The LADWP EIM Entity may issue a Manual Dispatch order to a Transmission Customer with an LADWP EIM Participating Resource or a Non-Participating Resource in LADWP's BAA, to address reliability or operational issues in LADWP's BAA that the EIM is not able to address through normal economic dispatch and congestion management.

The LADWP EIM Entity shall inform the MO of a Manual Dispatch as soon as possible.

7. Outages

7.1 LADWP EIM Entity Transmission Outages

7.1.1 Planned Transmission Outages and Known Derates

The LADWP EIM Entity shall submit information regarding planned transmission outages and known derates to the MO's outage management system in accordance with Section 29.9(b) of the MO Tariff. The LADWP EIM Entity shall update the submittal if there are changes to the transmission outage plan.

7.1.2 Unplanned Transmission Outages

The LADWP EIM Entity shall submit information as soon as possible regarding unplanned transmission outages or derates to the MO's outage management system in accordance with Section 29.9(e) of the MO Tariff.

7.2 LADWP BAA Transmission Owner Outages

Transmission Customers that are also LADWP BAA Transmission Owners shall provide the LADWP EIM Entity with planned and unplanned transmission outage data. Planned outages shall be reported to the LADWP EIM Entity.

The LADWP EIM Entity shall communicate information regarding planned and unplanned outages of LADWP BAA Transmission Owner facilities to the MO as soon as practicable upon receipt of the information from the LADWP BAA Transmission Owner.

7.3 LADWP EIM Participating Resource Outages

7.3.1 Planned LADWP EIM Participating Resource Outages and Known Derates

LADWP EIM Participating Resource Scheduling Coordinators shall submit information regarding planned resource outages and known derates to the LADWP EIM Entity. Planned outages and known derates shall be reported to the LADWP EIM Entity 7 or more days in advance and preferably at least 30 days in advance of the outage or known derate. The LADWP EIM Entity shall then submit this outage information to the MO's outage management system in accordance with Section 29.9(c) of the MO Tariff. LADWP EIM Participating Resource Scheduling Coordinators shall update the submittal if there are changes to the resource outage plan.

7.3.2 Unplanned LADWP EIM Participating Resource Outages or Derates

In the event of an unplanned outage required to be reported under Section 29.9(e) of the MO Tariff, the LADWP EIM Participating Resource Scheduling Coordinator is responsible for notifying the LADWP EIM Entity of required changes. Unplanned outages shall be reported to the LADWP EIM Entity as soon as possible but no later than 30 minutes after the outage commences. The LADWP EIM Entity shall then submit this information to the MO's outage management system.

Changes in availability of 10 MW or 5% of Pmax (whichever is greater) lasting 15 minutes or longer must be reported to the LADWP EIM Entity. The LADWP EIM Entity shall then submit this information to the MO's outage management system.

7.4 Outages of Transmission Customers with Non-Participating Resources

7.4.1 Planned Outages and Known Derates of Transmission Customers with Non- Participating Resources

Transmission Customers with Non-Participating Resources shall report information regarding planned outages and known derates of resources to the LADWP EIM Entity. The Transmission Customer with a Non-Participating Resource shall update the submittal if there are changes to the resource's outage plan.

The LADWP EIM Entity shall submit planned resource outages and known derates of Non- Participating Resources to the MO's outage management system in accordance with Section 29.9(c) of the MO Tariff.

7.4.2 Unplanned Outages or Derates of Resources of Transmission Customers with Non- Participating Resources

Unplanned outages of resources of a Transmission Customer with Non-Participating Resources shall be reported to the LADWP EIM Entity.

In the event of a forced outage required to be reported under Section 29.9(e) of the MO Tariff, the LADWP EIM Entity is responsible for notifying the MO of required changes through the MO's outage management system.

Changes in availability of 10 MW or 5% of the element's normal system operating limits (whichever is greater) lasting 15 minutes or longer must be reported to the LADWP EIM Entity. The LADWP EIM Entity shall then submit this information to the MO's outage management system.

8. EIM Settlements and Billing

The LADWP EIM BP shall include additional charges or charge code changes, if any, identified by CAISO or vendors.

8.0 Administrative Charges

Any charges or payments to the LADWP EIM Entity pursuant to Sections 4.5.1.1.4, 4.5.1.3, 11.22.8, and 29.11(i) of the MO Tariff for Administrative Charges not otherwise recovered under Schedule 1A shall be sub-allocated to Transmission Customers on the basis of Measured Demand:

Charge Code	Description	Allocation
4564	GMC-EIM Transaction Charge	Measured Demand
4575	SMCR – Settlements, Metering, and Client Relations	Measured Demand

8.1 Instructed Imbalance Energy (IIE)

The LADWP EIM Entity shall settle as IIE imbalances that result from (1) operational adjustments of a Transmission Customer's affected base generation schedule or Interchange, which includes changes by a Transmission Customer after T-57, (2) resource imbalances created by Manual Dispatch or an EIM Available Balancing Capacity dispatch, (3) an adjustment to resource imbalances created by adjustments to resource forecasts, or (4) other reasons IIE is calculated by the MO pursuant to Section 11.5 of the MO Tariff and using the Real Time Dispatch~~RTD~~ or ~~FMM~~ Fifteen Minute Market price at the applicable PNode. Any allocations to the LADWP EIM Entity pursuant to Section 29.1 1(b)(1) and (2) of the MO Tariff for IIE shall be recovered under Schedule 9 of this Tariff:

Charge Code	Description	Allocation
64600	FMM Instructed Imbalance Energy EIM Settlement	d~~D~~irectly a~~A~~llocated
64700	Real Time Instructed Imbalance Energy EIM Settlement	d~~D~~irectly a~~A~~llocated

8.2 Uninstructed Imbalance Energy (UIE)

Any charges or payments to the LADWP EIM Entity pursuant to Section 29.11(b)(3)(B) and (C) of the MO Tariff for UIE shall be recovered under Schedule 4 or Schedule 9 of this Tariff:

Charge Code	Description	Allocation

64750	Real Time Uninstructed Imbalance Energy EIM Settlement	dDirectly aAllocated

8.3 Unaccounted for Energy (UFE)

Any charges to the LADWP EIM Entity pursuant to Section 29.11(c) of the MO Tariff for UFE shall be sub-allocated to Transmission Customers on the basis of Measured Demand:

Charge Code	Description	Allocation
64740	Real-Time Unaccounted for EIM Energy Settlement	Measured Demand

8.4 Charges for Under-Scheduling or Over-Scheduling Load

8.4.1 Under-Scheduling Load

Any charges to the LADWP EIM Entity pursuant to Section 29.1 1(d)(1) of the MO Tariff for underscheduling load shall be assigned to the Transmission Customers subject to Schedule 4 based on each Transmission Customer's respective under-scheduling imbalance ratio share, which is the ratio of the Transmission Customer's under-scheduled load imbalance amount relative to all other Transmission Customers' under-scheduled load imbalance amounts who have under-scheduled load for the Operating Hour, expressed as a percentage as follows:

Charge Code	Description	Allocation
6045	Overscheduling and Underscheduling Charge	dDirectly aAllocated

8.4.2 Over-Scheduling Load

Any charges to the LADWP EIM Entity pursuant to Section 29.1 1(d)(2) of the MO Tariff for overscheduling load shall be assigned to the Transmission Customers subject to Schedule 4 based on each Transmission Customer's respective over-scheduling imbalance ratio share, which is the ratio of the Transmission Customer's over-scheduled load imbalance amount relative to all other Transmission Customers' over-scheduled load imbalance amounts who have over-scheduled load for the Operating Hour, expressed as a percentage as follows:

Charge Code	Description	Allocation
6045	Overscheduling and Underscheduling Charge	dDirectly aAllocated

8.4.3 Distribution of Under-Scheduling or Over-Scheduling Proceeds

Any payment to the LADWP EIM Entity pursuant to Section 29.1 1(d)(3) of the MO Tariff shall be distributed to Transmission Customers on the basis of Metered Demand and in accordance with the procedures outlined in the LADWP EIM BP:

Charge Code	Description	Allocation
6046	Under Scheduling and Over Scheduling Allocation	Metered Demand

8.5 EIM Uplifts

8.5.1 EIM Entity BAA Real-Time Imbalance Energy Offset

Any charges to the LADWP EIM Entity pursuant to Section 29.1 1(e)(3) of the MO Tariff for EIM BAA real-time imbalance energy offset be sub-allocated to Transmission Customers on the basis of Measured Demand:

Charge Code	Description	Allocation
6478	Real Time Imbalance Energy Offset – system	Measured Demand
64770	Real Time Imbalance Energy Offset EIM	Measured Demand

8.5.2 EIM Entity BAA Real-Time Congestion Offset

Any charges to the LADWP EIM Entity pursuant to Section 29.11 (e)(2) of the MO Tariff for the EIM real-time congestion offset shall be allocated to Transmission Customers on the basis of Measured Demand:

Charge Code	Description	Allocation
67740	Real Time Congestion Offset EIM	Measured Demand

8.5.3 EIM Entity Real-Time Marginal Cost of Losses Offset

Any charges to the LADWP EIM Entity pursuant to Section 29.1 1(e)(4) of the MO Tariff for real-time marginal cost of losses offset shall be sub-allocated to Transmission Customers on the basis of Measured Demand:

Charge Code	Description	Allocation
69850	Real Time Marginal Losses Offset EIM	Measured Demand

8.5.4 EIM Neutrality Settlement

Any charges to the LADWP EIM Entity pursuant to Section 29.11 (e)(5) of the MO Tariff for EIM neutrality settlement shall be sub-allocated on the basis of Measured Demand:

Charge Code	Description	Allocation
8989	Daily Neutrality Adjustment	Measured Demand
8999	Monthly Neutrality Adjustment	Measured Demand

8.5.5 Real-Time Bid Cost Recovery

Any charges to the LADWP EIM Entity pursuant to Section 29.11(f) of the MO Tariff for EIM real-time bid cost recovery shall be sub-allocated to Transmission Customers on the basis of Measured Demand:

Charge Code	Description	Allocation
66200	Bid Cost Recovery EIM Settlement	Measured Demand
66780	Real Time Bid Cost Recovery Allocation EIM	Measured Demand

8.5.6 Flexible Ramping Product

Any charges or payments to the LADWP EIM Entity pursuant to Section 29.11(p) of the MO Tariff for the Flexible Ramping Product shall be sub-allocated to Transmission Customers on the basis on the basis of Measured Demand:

Charge Code	Description	Allocation

7070	Flexible Ramp Forecasted Movement Settlement	Measured Demand
7076	Flexible Ramp Forecasted Movement Allocation	Measured Demand
7077	Daily Flexible Ramp Up Uncertainty Award Allocation	Measured Demand
7078	Monthly Flexible Ramp Up Uncertainty Award Allocation	Measured Demand
~~7089~~7087	Daily Flexible Ramp Down Uncertainty Award Allocation	Measured Demand
7088	Monthly Flexible Ramp Down Uncertainty Award Allocation	Measured Demand

8.5.7 **Inaccurate or Late Actual Settlement Quality Meter Data Penalty**

To the extent the LADWP EIM Entity incurs a penalty for inaccurate or late actual settlement quality meter data, pursuant to Section 37.11.1 of the MO Tariff, the LADWP EIM Entity shall directly assign the penalty to the offending Transmission Customer. Specifically, the charge is identified and allocated as follows:

Charge Code	**Description**	**Allocation**
1591	EP Penalty Charge due CAISO Trustee	d~~D~~irectly a~~A~~llocated
1592	EP Penalty Allocation Payment	LADWP EIM Entity

8.5.8 **Other EIM Settlement Provisions**

Any charges to the LADWP EIM Entity pursuant to the MO Tariff for the EIM settlement shall be sub-allocated. The charges shown in the following table shall be sub-allocated as follows:

Charge Code	**Description**	**Allocation**
7989	Invoice Deviation (distribution and allocation)	LADWP EIM Entity
7999	Invoice Deviation Interest Allocation	LADWP EIM Entity
2999	Default Invoice Interest Payment	LADWP EIM Entity
3999	Default Invoice Interest Charge	LADWP EIM Entity
5024	Invoice Late Payment Penalty	LADWP EIM Entity
5025	Financial Security Posting (Collateral) Late Payment Penalty	LADWP EIM Entity
5900	Shortfall Receipt Distribution	LADWP EIM Entity

5901	Shortfall Allocation Reversal	LADWP EIM Entity
5910	Shortfall Allocation	LADWP EIM Entity
5912	Default Loss Allocation	LADWP EIM Entity
8526	Generator Interconnection Process GIP Forfeited Deposit Allocation	LADWP EIM Entity
6196	Spinning Reserve Neutrality Allocation	LADWP EIM Entity
6296	Non-Spinning Reserve Neutrality Allocation	LADWP EIM Entity

8.6 MO Tax Liabilities

Any charges to the LADWP EIM Entity pursuant to Section 29.22(a) of the MO Tariff for MO tax liability as a result of the EIM shall be sub-allocated to those Transmission Customers triggering the tax liability.

8.7 EIM Transmission Service Charges

There shall be no incremental transmission charge assessed for transmission use related to the EIM.

Participating Resources and Balancing Authority Area Resources will not incur unreserved use charges solely as a result of EIM Dispatch Instruction. Schedule 11 of this Tariff shall apply to any amount of actual metered generation in an Operating Hour, if any, which is in excess of the sum of both: (1) the greatest positive Dispatch Operating Point or Manual Dispatch of the LADWP EIM Participating Resource received during the Operating Hour, and (2) the Transmission Customer's Reserved Capacity. Any ancillary service charges that are applicable to Schedule 11 charges shall apply and shall include Schedules 1 and 1A of this Tariff.

8.8 Variable Energy Resource Forecast Charge

Any costs incurred by the LADWP EIM Entity related to the preparation and submission of resource Forecast Data for a Transmission Customer with a Non-Participating Resource electing either method (1) or (2), as set forth in Section 4.2.4.2 of this Attachment O, shall be allocated to the Transmission Customer with a Non-Participating Resource electing to use either such method.

For a Transmission Customer with a Non-Participating Resource electing method (3), as set forth in Section 4.2.4.2 of this Attachment O, any charges to the LADWP EIM Entity pursuant to Section 29.1 1(j)(1) of the MO Tariff for Variable Energy Resource forecast

charges shall be sub allocated to the Transmission Customer with a Non-Participating Resource requesting such forecast as follows:

Charge Code	Description	Allocation
701	Forecasting Service Fee	dDirectly aAllocated
~~Not applicable~~	~~Vendor charges and handling fee~~	~~Directly Allocated~~

8.9 EIM Payment Calendar

Pursuant to Section 29.11(l) of the MO Tariff, the LADWP EIM Entity shall be subject to the MO's payment calendar for issuing settlement statements, exchanging invoice funds, submitting meter data, and submitting settlement disputes to the MO. The LADWP EIM Entity shall follow Section 7 of this Tariff for issuing invoices regarding the EIM.

8.10 EIM Residual Balancing Account

To the extent that MO EIM-related charges or payments to the LADWP EIM Entity are not captured elsewhere in Attachment H, Schedules 1, 1A, 4, and 9 of this Tariff, or this Section 8, those charges or payments shall be placed in a balancing account, with interest accruing at the rate established in 18 C.F.R. § 35.19(a)(2)(iii), until modified by the Transmission Provider's Board of Commissioners and Los Angeles City Council.

8.11 Market Validation and Price Correction

If the MO modifies the LADWP EIM Entity settlement statement in accordance with the MO's market validation and price correction procedures in the MO Tariff, the LADWP EIM Entity reserves the right to make corresponding or similar changes to the charges and payments sub-allocated under this Attachment O.

8.12 Allocation of Operating Reserves

Any payments or charges to the LADWP EIM Entity pursuant to Section 29.11(n)(1) or 29.11(n)(2) of the MO Tariff for operating reserve obligations shall not be sub-allocated to Transmission Customers:

Charge Code	Description	Allocation
6194	Spinning Reserve Obligation Settlement	LADWP EIM Entity

6294	Non-Spinning Reserve Obligation Settlement	LADWP EIM Entity

9. Compliance

9.1 Provision of Data

Transmission Customers with LADWP EIM Participating Resources and LADWP EIM Participating Resource Scheduling Coordinators are responsible for complying with information requests they receive directly from the EIM market monitor or regulatory authorities concerning EIM activities.

A Transmission Customer with LADWP EIM Participating Resources or a Transmission Customer with Non-Participating Resources must provide the LADWP EIM Entity with all data necessary to respond to information requests received by the LADWP EIM Entity from the MO, the EIM market monitor, or regulatory authorities concerning EIM activities.

If the LADWP EIM Entity is required by applicable laws or regulations, or in the course of administrative or judicial proceedings, to disclose information that is otherwise required to be maintained in confidence, the LADWP EIM Entity may disclose such information; provided, however, that upon the LADWP EIM Entity learning of the disclosure requirement and, if possible, prior to making such disclosure, the LADWP EIM Entity shall notify any affected party of the requirement and the terms thereof. The party can, at its sole discretion and own cost, direct any challenge to or defense against the disclosure requirement. The LADWP EIM Entity shall cooperate with the affected party to obtain proprietary or confidential treatment of confidential information by the person to whom such information is disclosed prior to any such disclosure.

The LADWP EIM Entity shall treat all Transmission Customer and Interconnection Customer data and information provided to it as market-sensitive and confidential, unless the LADWP EIM Entity is otherwise allowed or required to disclose. The LADWP EIM Entity shall continue to abide by the Commission's Standards of Conduct and handle customer information accordingly.

9.2 Rules of Conduct

These rules of conduct are intended to provide fair notice of the conduct expected and to provide an environment in which all parties may participate in the EIM on a fair and equal basis.

Transmission Customers must:

(i) Comply with Dispatch Instructions and LADWP EIM Entity operating orders in accordance with Good Utility Practice. If some limitation prevents the Transmission Customer from fulfilling the action requested by the MO or the LADWP EIM Entity, the Transmission Customer must immediately and directly communicate the nature of any such limitation to the LADWP EIM Entity;

(ii) Submit bids for resources that are reasonably expected to both be and remain available and capable of performing at the levels specified in the bid, based on all information that is known or should have been known at the time of submission;

(iii) Notify the MO and/or the LADWP EIM Entity, as applicable, of outages in accordance with Section 7 of this Attachment O;

(iv) Provide complete, accurate, and timely meter data to the LADWP EIM Entity in accordance with the metering and communication requirements of this Tariff and maintain responsibility to ensure the accuracy of such data communicated by any customer-owned metering or communications systems. To the extent such information is not accurate or timely when provided to the LADWP EIM Entity, the Transmission Customer shall be responsible for any consequence on settlement and billing;

(v) Provide information to the LADWP EIM Entity, including the information requested in Sections 4.2.1, 4.2.2, 4.2.3, 4.2.4 and 9.1 of this Attachment O, by the applicable deadlines; and

(vi) Utilize commercially reasonable efforts to ensure that forecasts are accurate and based on all information that is known or should have been known at the time of submission to the LADWP EIM Entity.

9.3 **Enforcement**

The LADWP EIM Entity may refer a violation of Section 9.2 of this Attachment O to its Board of Commissioners and/or the MO for further action.

10. Market Contingencies

10.1 Temporary Suspension by the MO

In the event that the MO implements a temporary suspension in accordance with Section 29.1 (d)(1) of the MO Tariff, including the actions identified in Section 29.1 (d)(5), the LADWP EIM Entity shall utilize Schedules 4A, 9A, 11, 12A and Sections 15.7 and 28.5 of LADWP Tariff until the temporary suspension is no longer in effect or, if the MO determines to extend the suspension, for a period of time sufficient to process termination of the LADWP EIM Entity's participation in the EIM in accordance with Section 29.1(d)(2) of the MO Tariff.

10.2 Termination of Participation in EIM by the LADWP EIM Entity

If the LADWP EIM Entity submits a notice of termination of its participation in the EIM to the MO in accordance with the applicable agreements and Section 4.1.1.5 of this Attachment O, in order to mitigate price exposure during the 180-day period between submission of the notice and the termination effective date, the LADWP EIM Entity may invoke the following corrective actions by requesting that the MO:

(i) prevent EIM Transfers and separate the LADWP EIM Entity's BAA from operation of the EIM in the EIM Area; and

(ii) suspend settlement of EIM charges with respect to the LADWP EIM Entity. Once such corrective actions are implemented by the MO, the LADWP EIM Entity shall utilize Schedules 4A, 9A, and Sections 15.7 and 28.5 of LADWP's Tariff.

If the LADWP EIM Entity takes action under this Section 10.2, the LADWP EIM Entity shall notify the MO and Transmission Customers.

10.3 Corrective Actions Taken by the LADWP EIM Entity for Temporary Contingencies

The LADWP EIM Entity may declare a temporary contingency and invoke corrective actions for the EIM when in its judgment -

(i) operational circumstances (including a failure of the EIM to produce feasible results in LADWP's BAA) have caused or are in danger of causing an abnormal system condition in LADWP's BAA that requires immediate action to prevent loss of load, equipment damage, or tripping system elements that might result in

cascading outages, or to restore system operation to meet the applicable Reliability Standards and reliability criteria established by NERC and WECC; or

(ii) communications between the MO and the LADWP EIM Entity are disrupted and prevent the LADWP EIM Entity, the LADWP EIM Entity Scheduling Coordinator, or an LADWP EIM Participating Resource Scheduling Coordinator from accessing MO systems to submit or receive information.

10.3.1 **Corrective Actions for Temporary Contingencies**

If either of the above temporary contingencies occurs, the LADWP EIM Entity may invoke the following corrective actions by requesting that the MO:

(i) prevent EIM Transfers and separate the LADWP EIM Entity's BAA from operation of the EIM in the EIM Area; and/or

(ii) suspend settlement of EIM charges with respect to the LADWP EIM Entity.

When corrective action under 10.3.1 (2) is implemented or if the MO Tariff requires the use of these temporary schedules to set an administrative price, the LADWP EIM Entity shall utilize Schedules 4A, 9A, and Sections 15.7 and 28.5 of LADWP's Tariff.

If the LADWP EIM Entity takes action under this Section 10.3, the LADWP EIM Entity shall notify the MO and Transmission Customers. The LADWP EIM Entity and the MO shall cooperate to resolve the temporary contingency event and restore full EIM operations as soon as is practicable.

ATTACHMENT P

Transmission Line Ratings

Proposed Effective Date: Three years from the date this Attachment P is approved by the governance bodies of LADWP, including the Los Angeles City Council.

General:

The Transmission Provider will implement Transmission Line Ratings on the transmission lines over which it provides Transmission Service, as provided below.

Definitions:

The following definitions apply for purposes of this Attachment:

(1) "Transmission Line Rating" means the maximum transfer capability of a transmission line, computed in accordance with a written Transmission Line Rating 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, line traps, and transformers.

(2) "Ambient-Adjusted Rating" (AAR) means a Transmission Line Rating that:

(a) Applies to a time period of not greater than one hour.

(b) Reflects an up-to-date forecast of ambient air temperature across the time period to which the rating applies.

(c) Reflects the absence of solar heating during nighttime periods, where the local sunrise/sunset times used to determine daytime and nighttime periods are updated at least monthly, if not more frequently.

(d) Is calculated at least each hour, if not more frequently.

(3) "Seasonal Line Rating" means a Transmission Line Rating that:

(a) Applies to a specified season, where seasons are defined by the Transmission Provider to include not fewer than four seasons in each year, and to reasonably reflect portions of the year where expected high temperatures are relatively consistent.

(b) Reflects an up-to-date forecast of ambient air temperature across the relevant season over which the rating applies.

(c) Is calculated annually, if not more frequently, for each season in the future for which Transmission Service can be requested.

(4) "Near-Term Transmission Service" means 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 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.

(5) "Emergency Rating" means 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.

System Reliability:

If the 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 the Transmission Provider may use such an alternate rating. The 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.

Obligations of Transmission Provider:

The Transmission Provider will have the following obligations.

The Transmission Provider must use AARs as the relevant Transmission Line Ratings when performing any of the following functions: (1) evaluating requests for Near-Term Transmission Service; (2) responding to requests for information on the availability of potential Near-Term Transmission Service (including requests for ATC or other information related to potential service); or (3) posting ATC or other information related to Near-Term Transmission Service to the Transmission Provider's OASIS site or another password-protected website.

The Transmission Provider must use AARs as the relevant Transmission Line Ratings when determining whether to curtail (under section 13.6) Firm Point-To-Point Transmission Service or when determining whether to curtail and/or interrupt (under section 14.7) Non-Firm Point-To-Point Transmission Service if such curtailment and/or interruption is both necessary because of issues related to flow limits on transmission lines and anticipated to occur (start and end) within 10 days of such determination. For determining whether to curtail or interrupt Point-To-Point Transmission Service in other situations, the Transmission Provider must use Seasonal Line Ratings as the relevant Transmission Line Ratings.

The Transmission Provider must use AARs as the relevant Transmission Line Ratings when determining whether to curtail (under section 33) or redispatch (under sections 30.5 and/or 33) Network Integration Transmission Service or secondary service if such curtailment or redispatch is both necessary because of issues related to flow limits on transmission lines and anticipated to occur (start and end) within 10 days of such determination. For determining the necessity of curtailment or redispatch of Network Integration Transmission Service or

secondary service in other situations, the Transmission Provider must use Seasonal Line Ratings as the relevant Transmission Line Ratings.

The Transmission Provider must use Seasonal Line Ratings as the relevant Transmission Line Ratings when evaluating requests for and whether to curtail, interrupt, or redispatch 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. The Transmission Provider must use Seasonal Line Ratings as a recourse rating in the event that an AAR otherwise required to be used under this Attachment is unavailable.

The Transmission Provider must use uniquely determined Emergency Ratings for contingency analysis in the operations horizon and in post-contingency simulations of constraints. Such uniquely determined Emergency Ratings must also include separate AAR calculations for each Emergency Rating duration used.

In developing forecasts of ambient air temperature for AARs and Seasonal Line Ratings, the Transmission Provider must develop such forecasts consistent with Good Utility Practice and on a non-discriminatory basis.

Postings to OASIS or another password-protected website: The 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: The 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 (1) above.

Exceptions: Where the Transmission Provider determines, consistent with Good Utility Practice, that the Transmission Line Rating of a transmission line is not affected by ambient air temperature or solar heating, the Transmission Provider may use a Transmission Line Rating for that transmission line that is not an AAR or Seasonal Line Rating. Examples of such a transmission line may include (but are not limited to): (1) a transmission line for which the technical transfer capability of the limiting conductors and/or limiting transmission equipment is not dependent on ambient air temperature or solar heating; or (2) a transmission line whose transfer capability is limited by a Transmission System limit (such as a system voltage or stability limit) which is not dependent on ambient air temperature or solar heating. The Transmission Provider must document in its database of Transmission Line Ratings and Transmission Line Rating methodologies on OASIS or another password-protected website any exceptions to the requirements contained in this Attachment initiated under this paragraph, including the nature of and basis for each exception, the date(s) and time(s) that the exception was initiated, and (if applicable) the date(s) and time(s) that each exception was withdrawn and the standard rating became effective again. If the technical basis for an exception under this paragraph changes, then the Transmission Provider must update the relevant Transmission Line Rating(s) in a timely manner. The Transmission Provider must reevaluate any exceptions taken under this paragraph at least every five years.

City of Los Angeles Department of Water and Power

Amendment No. 6 to LADWP's Open Access Transmission Tariff

General Manager's Certificate

April 17, 2024

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EXECUTIVE SUMMARY

On December 26, 2023, the Los Angeles Department of Water and Power ("LADWP") released an Advance Announcement of Minor Tariff Change ("Advance Announcement")[1] where LADWP indicated its intention to modify Attachment C of its Open Access Transmission Tariff ("OATT"). Attachment C currently calculates available transfer capability based upon the North American Electric Reliability Corporation's ("NERC") MOD standards. Order No. 902 issued by the Federal Energy Regulatory Commission ("FERC" or the "Commission") on October 26, 2023 retired the MOD standards effective February 1, 2024 which are succeeded by the North American Energy Standards Board's ("NAESB") Standards for Business Practices and Communication Protocols for Public Utilities adopted by the Wholesale Electric Quadrant (WEQ) of NAESB ("NAESB Standards").[2] The proposed revisions to Attachment C of the OATT are designed to align the calculation of available transfer capability expressed in Attachment C with the NAESB Standards.

On December 28, 2023, the LADWP General Manager published a notice that officially initiated the public review and comment period for the proposed changes. The public comment period remained open for twenty business days, from December 28, 2023, through January 16, 2024. No comments were received by LADWP in response to the notice.

Upon final review of the proposed changes to Attachment C of the OATT the General Manager instructed additional changes be made to Attachment C to more closely align the expression of the methodology for calculating available transfer capability with the expression contained in the NAESB Standards. The tariff changes as revised are summarized as follows:

- **Definitions**: The specific defined terms were modified to reflect NAESB Standards contained in WEQ-000 and WEQ-023 and the *pro forma* OATT.
- **Determination of ATC**: The specific portions of Part 2 were modified to align the Available Transfer Capacity calculation with NAESB Standards.
- **Process Flow Diagram**: The specific portions of Part 3 were modified so that the Process Flow Diagram reflects NAESB Standards.
- **Determination of TTC:** The specific portions of Part 4 were modified to align the Total Transfer Capacity calculation methodology with NAESB Standards.
- **Determination of ETC:** The specific portions of Part 5 were modified to align the Existing Transmission Commitments calculation methodology with NAESB Standards.

The General Manager finds that the proposed changes to Attachment C of the OATT are necessary to ensure that the calculation of available transfer capability is consistent with the NAESB Standards. The proposed changes to Attachment C do not result in a change in the

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[1] The stakeholder process is set forth in LADWP Tariff Change Procedures Business Practice (Oct. 5, 2023) (Version 3), available at http://www.oasis.oati.com/woa/docs/LDWP/LDWPdocs/LADWP_BP_-_Tariff_Changes_(09.12.2023)_Effective_2023-10-05.pdf (hereinafter, "Tariff Change Procedures").

[2] Electric Reliability Organization Proposal to Retire Requirements in Reliability Standards Under the NERC Standards Efficiency Review, 185 FERC ¶ 61,064 (October 26, 2023) ("Order No. 902").

calculation of available transfer capability. The proposed OATT revisions were not disputed by stakeholders, and the need for the OATT revisions has been demonstrated by LADWP.

The General Manager finds that the proposed OATT revisions are Minor Tariff Changes under Section 2 of the Tariff Change Procedures Business Practice because they are "change[s] to the non-rate terms and/or conditions of the Tariff . . . that must be approved by the Governance which will not materially affect the Rates, terms, and conditions of the Tariff."[3]

The General Manager finds that the proposed OATT revisions establish terms and conditions of service that are comparable to those under which LADWP provides transmission services and ancillary services to itself and that are not unduly discriminatory or preferential.

The General Manager recommends that the Board of Water and Power commissioners of LADWP and the Los Angeles City Council ("City Council") approve the proposed OATT revision, becoming effective on the first day of the month, following the date of City Council approval.

[3] Tariff Change Procedures at § 2.p (definition of "Minor Tariff Change").

General Manager's Certificate

PART I: INTRODUCTION

Pursuant to Section 10(b) of the Tariff Change Procedures Business Practice for the Department of Water and Power for the City of Los Angeles,[4] the General Manager of the Los Angeles Department of Water and Power ("LADWP") hereby certifies and provides the following statement with regard to the attached changes to LADWP's Open Access Transmission Tariff ("OATT").[5] No stakeholders provided written comments of the notice of proposed tariff change. Upon final review of the proposed OATT changes the General Manager instructed additional changes be made to Attachment C to more closely align the expression of the methodology for calculating available transfer capability with the expression contained in the NAESB Standards. The tariff changes as revised are summarized as follows:

- **Definitions**: The specific defined terms were modified to reflect NAESB Standards contained in WEQ-000 and WEQ-023 and the *pro forma* OATT.
- **Determination of ATC**: The specific portions of Part 2 were modified to align the Available Transfer Capacity calculation with NAESB Standards.
- **Process Flow Diagram**: The specific portions of Part 3 were modified so that the Process Flow Diagram reflects NAESB Standards.
- **Determination of TTC:** The specific portions of Part 4 were modified to align the Total Transfer Capacity calculation methodology with NAESB Standards.
- **Determination of ETC:** The specific portions of Part 5 were modified to align the Existing Transmission Commitments calculation methodology with NAESB Standards.

The General Manager certifies that the Tariff Revisions are limited to changes to the non-rate terms and/or conditions of Attachment C of LADWP's OATT and do not materially affect the rates, terms and conditions of the OATT, and thereby qualify as a Minor Tariff Change under the Tariff Change Procedures. Furthermore, the General Manager certifies that the Tariff Revisions provide terms and conditions of service that are comparable to those under which LADWP provides transmission services and ancillary services to itself and that are not unduly discriminatory or preferential.

The General Manager recommends that the Board of Water and Power commissioners of LADWP and the Los Angeles City Council ("City Council") approve the proposed OATT revision, becoming effective on the first day of the month, following the date of City Council approval.

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[4] *See* Tariff Change Procedures at § 10(b).

[5] Capitalized terms not defined herein have the same meaning as those in the OATT and/or Tariff Change Business Practice, unless otherwise noted.

PART II: BACKGROUND

A. LADWP Is a Non-Jurisdictional Utility under the FPA.

The FPA applies to a "public utility" as defined in FPA section 201(e).[6] Excluded from the definition of "public utility" within the FPA are political subdivisions of a State and their employees "unless such provision makes specific reference thereto."[7] Section 201(f) of the FPA provides as follows:

> No provision in this subchapter shall apply to, or be deemed to include, the United States, a State or any political subdivision of a State, or any agency, authority, or instrumentality of any one or more of the foregoing, or any corporation which is wholly owned, directly or indirectly, by any one or more of the foregoing, or any officer, agent, or employee of any of the foregoing acting as such in the course of his official duty, unless such provision makes specific reference thereto.[8]

The City of Los Angeles is a charter city organized under provisions of the California Constitution. LADWP is a department of the City of Los Angeles that operates a municipal water and power system for the purpose of serving the City of Los Angeles. LADWP is therefore a political subdivision of the State of California and not a public utility within the meaning of the FPA, a legal conclusion that has been validated by the U.S. Court of Appeals for the Ninth Circuit.[9]

As a non-public utility under the FPA, LADWP is responsible for establishing its own electric transmission rates and non-rate terms and conditions of service. Nonetheless, the FPA requires that third-party customers be charged rates that are comparable to the rates LADWP charges itself, and that non-rate terms and conditions of service are applied to third parties in a non-discriminatory or preferential manner.[10] LADWP is not required to file its electric transmission rates or non-rate terms and conditions of service with FERC.[11]

B. Governance of LADWP

LADWP is governed by the Board, which consists of five members. The Board has the power and duty to make and enforce all necessary rules and regulations governing the construction, maintenance, operation, connection to, and use of LADWP's water and power

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[6] 16 U.S.C. § 824(e) ("The term "public utility" when used in this subchapter and subchapter III of this chapter means any person who owns or operates facilities subject to the jurisdiction of the Commission under this subchapter (other than facilities subject to such jurisdiction solely by reason of section 824e(e), 824e(f),[1] 824i, 824j, 824j–1, 824k, 824o, 824o–1, 824p, 824q, 824r, 824s, 824t, 824u, or 824v of this title).").

[7] 16 U.S.C. § 824(f).

[8] *Id.*

[9] *Bonneville Power Admin., et al v FERC*, 422 F.3d 908 at 915 – 916 (9th Cir. 2005)

[10] FPA § 211, 16 U.S.C. § 824j-1(b) ("[T]he Commission may, by rule or order, require an unregulated transmitting utility to provide transmission services—(1) at rates that are comparable to those that the unregulated transmitting utility charges itself; and (2) on terms and conditions (not relating to rates) that are comparable to those under which the unregulated transmitting utility provides transmission services to itself and that are not unduly discriminatory or preferential.").

[11] *Id*. §§ 672, 675.

assets. Specifically, Los Angeles Administrative Code ("LAAC") section 23.134 authorizes the Board "to establish and set all tariffs, terms, conditions and charges, subject to approval by a simple majority vote of the City Council."[12] Thus, the Board and City Council have the authority and sole responsibility to consider the proposed Tariff Revisions.

C. Development of the Proposed Tariff Revisions

LADWP has adopted transmission business practices for the consideration of proposed changes to its OATT. Section 10(b)(2) of the Tariff Change Procedures requires an explanation of the procedures used to prepare the revisions to demonstrate that any changes are made in accordance with required procedures. The proposed revisions fall into the category of a Minor Tariff Change under Section 2 of the Tariff Change Procedures because they are "a change to the non-rate terms and/or conditions of the Tariff . . . that must be approved by the Governance which will not materially affect the Rates, terms, and conditions of the Tariff."[13] To enact a Minor Tariff Change, LADWP is required to publish an Advance Announcement of Minor Tariff Change, followed by a Notice of Proposed Tariff Change, and then hold a 20-day Comment Period.[14]

For the reasons discussed below, the General Manager finds that the OATT revisions were proposed for stakeholder consideration in accordance with the Tariff Change Procedures:

1. Advance Announcement of Minor Tariff Change[15]

Prior to the actual release of any tariff change, the Tariff Change Procedures require LADWP to issue an advance announcement that describes "generally the changes to be considered, the expected date of the Notice, and the address where Stakeholders may submit written comments in response to the announcement."[16]

On December 26, 2023, LADWP released an Advance Announcement concerning its intention to align the reliability standards contained in its OATT with the NAESB Standards for Business Practices and Communication Protocols for Public Utilities adopted by the WEQ of NAESB.[17] The Advance Announcement described the changes, stating that the proposed revisions were intended to align the LADWP OATT with FERC Order No. 902, which "replaced MOD A Reliability Standards" with the current version of the NAESB Standards by revising "Attachment C, Methodology to Assess Available Transfer Capability, to remove references to MOD

[12] LAAC § 23.134 states "Notwithstanding any other ordinance, rule or law of the City of Los Angeles to the contrary, the Board of Water and Power Commissioners shall have authority to establish and set all tariffs, terms, conditions and charges, subject to approval by a simple majority vote of the City Council, which relate to transmission services which would otherwise fall within the jurisdiction of the Federal Energy Regulatory Commission, or when necessary to avoid the exercise of the jurisdiction of the Federal Regulatory Commission under Section 211 of the Federal Power Act."

[13] Tariff Change Procedures § 2.p (definition of "Minor Tariff Change").

[14] No public forum was required. *See* Tariff Change Business Practice at § 8.

[15] *Id.* § 3.

[16] *Id.*

[17] All materials referenced in the Advance Announcement and Notice are available at https://www.oasis.oati.com/ldwp/index.html, under DWP Notices > LADWP 2024 OATT Stakeholder Process.

Standards and replace them with NAESB Standards." The Advance Announcement also stated that it would publish the Notice on December 28, 2023, and provided an email address for interested parties to participate in the process.[18]

2. Notice of Proposed Tariff Change[19]

The Tariff Change Procedures require that the General Manager issue a Notice concerning the Proposed Tariff Change to stakeholders.[20] The Notice must be posted on OASIS, identify the Proposed Tariff Change with a marked version of the Tariff, and explain the need for the Proposed Tariff Change. The Notice must also include any supporting documentation and any necessary non-disclosure agreement(s). Finally, the Notice must also provide a schedule for the Comment Period and the anticipated date of the General Manager's Certificate and include an email address for stakeholders to submit written comments, questions, and discovery requests.

On December 28, 2023, the General Manager published the Notice to stakeholders on its OASIS page that officially initiated the public review and comment period of the proposed revisions.[21] The Notice included redline version of Attachment C of the OATT to show changes against the current Attachment C, and a clean version of Attachment C, including the proposed changes.[22] LADWP determined that no additional supporting documentation or non-disclosure agreement was necessary beyond the information included and referenced in the Notice.

The Notice explained the need for the proposed revisions, noting that on October 26, 2023, FERC issued Order No. 902 approving the retirement of six Reliability Standards, specifically the MOD A Reliability Standards.[23] As stated in the Notice, in Order No. 676-J, the Commission revised its regulations to incorporate by reference, as mandatory enforceable requirements, the current version of NAESB's Standards for Business Practices and Communication Protocols for Public Utilities adopted by the Wholesale Electric Quadrant (WEQ) of NAESB, Version 003.3 of the NAESB WEQ Business Practice Standards (WEQ Version 003.3 Standards).[24] The Notice also recognized that the MOD A Reliability Standards are retired, and their purpose and requirements have been moved into the NAESB business practice standards, which will replace the MOD A Reliability Standards proposed for retirement.[25] As explained in the Notice, the proposed revisions to the LADWP OATT revise Attachment C, Methodology to Assess Available Transfer Capability, to comport with Order

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[18] *Id.*

[19] Tariff Change Procedures § 4.

[20] *Id*.

[21] All materials referenced in the Advance Announcement and Notice are available at https://www.oasis.oati.com/ldwp/index.html, under DWP Notices > LADWP 2024 OATT Stakeholder Process.

[22] *Id.*

[23] *See generally* Order No. 902.

[24] Standards for Business Practices and Communication Protocols for Public Utilities, 175 FERC ¶ 61,139 (May 20, 2021) ("Order No. 676-J").

[25] *See* Order No. 902

No. 902, removing references to MOD A Reliability Standards and replacing them with appropriate NAESB Standards.[26]

The Notice included a schedule for the Comment Period and stated that publication of the Notice initiated a public comment period which remained open for twenty business days, from December 28, 2023, through January 16, 2024. Finally, the Notice included the email address to which stakeholders could submit written comments, questions, and discovery requests.

3. Comment Period

The Tariff Change Procedures require that stakeholders be able to submit written comments on the proposed revisions at any time until 20 business days after the date the Notice is published on OASIS.[27] The public comment period remained open for 20 business days, from December 28, 2023, through January 16, 2024. No comments were received by LADWP in response to the Notice.

In the following sections of this certificate, Part III "Description of LADWP's Proposed Tariff Revisions" summarizes LADWP's proposed tariff changes. Part IV "Effective Date" identifies the proposed effective date for the proposed Tariff Revisions. Part V "Attachments" identifies the attachments to this General Manager's Certificate. Part VI "General Manager Recommendations and Certification" identifies the General Manager's recommendations for the proposed Tariff Revisions and certification.

PART III: DESCRIPTION OF LADWP'S PROPOSED TARIFF REVISIONS

On October 26, 2023, FERC issued Order No. 902 approving the retirement of six Reliability Standards: the MOD A Reliability Standards.[28] In Order No. 676-J, the Commission revised its regulations to incorporate by reference, as mandatory enforceable requirements, the current version of NAESB's Standards for Business Practices and Communication Protocols for Public Utilities adopted by the Wholesale Electric Quadrant (WEQ) of NAESB, Version 003.3 of the NAESB WEQ Business Practice Standards (WEQ Version 003.3 Standards).[29] As explained in Order No. 902, as these Reliability Standards are retired, their purpose and requirements have been moved into the NAESB business practice standards and the equivalent NAESB business practice standards will replace the MOD A Reliability Standards proposed for retirement.[30]

The proposed revisions to the LADWP OATT revise Attachment C, Methodology to Assess Available Transfer Capability, to comport with Order No. 902, removing references and

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[26] *See* Tariff Change Business Practice at Attachment C (Methodology To Assess Available Transfer Capability).

[27] Tariff Change Procedures § 6.

[28] *See generally* Order No. 902.

[29] Standards for Business Practices and Communication Protocols for Public Utilities, 175 FERC ¶ 61,139 (May 20, 2021) ("Order No. 676-J").

[30] *See* Order No. 902

definitions contained in MOD A Reliability Standards and replacing them with appropriate NAESB Standards in Parts 1, 2, 3, 4, and 5 of Attachment C.[31] The proposed revisions are Minor Tariff Changes under Section 2 of the Tariff Change Business Practice because they are "change[s] to the non-rate terms and/or conditions of the Tariff . . . that must be approved by the Governance which will not materially affect the Rates, terms, and conditions of the Tariff."[32] The revisions being proposed are more expansive than those included in the notice published on December 28, 2023; however, the additional revisions are consistent with the earlier version because they merely further align the specific language of Attachment C with that of the NAESB WEQ Business Practice Standards and *pro forma* OATT.

Specifically, the proposed revisions to Attachment C attached to this Certificate include:

- **Definitions**: The specific defined terms were modified to reflect NAESB Standards contained in WEQ-000 and WEQ-023 and the *pro forma* OATT.
- **Determination of ATC**: The specific portions of Part 2 were modified to align the Available Transfer Capacity calculation with NAESB Standards.
- **Process Flow Diagram**: The specific portions of Part 3 were modified so that the Process Flow Diagram reflects NAESB Standards.
- **Determination of TTC:** The specific portions of Part 4 were modified to align the Total Transfer Capacity calculation methodology with NAESB Standards.
- **Determination of ETC:** The specific portions of Part 5 were modified to align the Existing Transmission Commitments calculation methodology with NAESB Standards.

PART IV: EFFECTIVE DATE

The proposed OATT revisions specified in this General Manager's Certificate, if approved by the Board and City Council, shall: (1) become effective on the first day of the month, following the date of City Council approval (the "Effective Date"), and (2) be incorporated into all current and future transmission service agreements as of the Effective Date.[33]

PART V: ATTACHMENTS

Attached to the Certificate are the following:

Attachment A: Administrative Record

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[31] *See* LADWP OATT, Attachment C (Methodology To Assess Available Transfer Capability).

[32] Tariff Change Procedures at § 2.p (definition of "Minor Tariff Change").

[33] *Mw. Indep. Transmission Sys. Operator, Inc.*, 142 FERC ¶ 61,215 at PP 176-78 (2013) ("where the terms of an agreement would, if approved, be incorporated into the service agreements of all present and future customers, those terms are properly classified as tariff rates and the Mobile-Sierra presumption would not apply."), *order on reh'g*, 147 FERC ¶ 61,127 (2014), *order on reh'g*, 150 FERC ¶ 61,037 (2015).

Attachment B: Clean version of LADWP's OATT, including proposed changes (in PDF format)

Attachment C: Redline version of LADWP's OATT, marked to show changes against its current OATT, inclusive of the proposed changes (in PDF format)

Attachment D: Redline of the final proposed changes against the changes contained in the Notice

PART VI: GENERAL MANAGER RECOMMENDATIONS AND CERTIFICATION

For the reasons discussed herein, the General Manager certifies that the Tariff Revisions are limited to changes to the non-rate terms and/or conditions of Attachment C of LADWP's OATT and do not materially affect the rates, terms and conditions of the OATT, and thereby qualify as a Minor Tariff Change under the Tariff Change Procedures. Furthermore, the General Manager finds that the proposed OATT revisions establish terms and conditions of service that are comparable to those under which LADWP provides transmission and ancillary services to itself and that are not unduly discriminatory or preferential. Accordingly, the General Manager recommends that the Board and City Council approve the proposed OATT, becoming effective on the first day of the month, following the date of approval by the City Council.

This General Manager's Certificate along with its Attachments will be provided for consideration to the Board and City Council.[34]

Dated this 17th day of April 2024.

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES

By: _____

MARTIN L. ADAMS
General Manager and Chief Engineer

[34] Tariff Change Procedures § 12(b).

Attachment A

Administrative Record

The following documents constitute all the documents that are part of the administrative record upon which the General Manager based his decision.

Public Documents (found on OASIS)

Advanced Announcement of Minor Tariff Change, published on December 26, 2023

General Manager's Notice, published on December 28, 2023

- Exhibit A to General Manager's Notice, Redline version of LADWP's OATT, marked to show changes against its current OATT, inclusive of the Pending OATT Changes (in PDF format); and
- Exhibit B to General Manager's Notice, Clean version of LADWP's OATT, including proposed changes (in PDF format).

Attachment B

Clean version of LADWP's OATT, including proposed changes (in PDF format)

ATTACHMENT C

Methodology To Assess Available Transfer Capability

This Attachment C contains the Transmission Provider's methodology to assess Available Transfer Capability of the Transmission System. Transmission Provider posts its Available Transfer Capability Implementation Document (ATCID) on its OASIS.

1. Definitions

The following definitions only apply to Attachment C.

a. Available Transfer Capability (ATC)

A measure of the transfer capability remaining in the physical transmission network for further commercial activity over and above already committed uses.

b. ATC Path

Any combination of POR(s) to POD(s) for which ATC is calculated as defined by the Transmission Operator or the Transmission Service Provider.

c. Capacity Benefit Margin (CBM)

The amount of firm transmission transfer capability preserved by the Transmission Provider for LSEs, whose loads are located on that Transmission Service Provider's system, to enable access by the LSEs to generation from interconnected systems to meet generation reliability requirements.

d. Existing Transmission Commitments (ETC)

Committed uses of a Transmission Service Provider's transmission system considered when determining ATC or AFC.

e. Postback

A variable component of the Transmission Provider's selected ATC or AFC calculation methodology that positively impacts ATC or AFC based on a change in status of a Transmission Service reservation or use of reserved capacity, or other conditions as specified by the Transmission Provider.

f. Load Serving Entity (LSE)

The responsible entity that secures energy and Transmission Service (and related Interconnected Operations Services) to serve the electrical demand and energy requirements of its end-use customers.

g. Total Transfer Capability (TTC)

The amount of electric power that can be moved or transferred reliably from one area to another area of the interconnected transmission systems by way of all transmission lines (or paths) between those areas under specified system conditions.

h. Transmission Reliability Margin (TRM)

The amount of transmission transfer capability necessary to provide reasonable assurance that the interconnected transmission network will be secure. TRM accounts for the inherent uncertainty in system conditions and the need for operating flexibility to ensure reliable system operation as system conditions change.

2. <u>Determination of ATC</u>

a. Rated System Path Methodology

Transmission Provider uses the Rated System Path Methodology to calculate ATC. The current effective version of NAESB Business Practice Standard WEQ-023 shall apply to calculate TTCs and ATCs for ATC Paths.

b. Description of the Mathematical Algorithms Used to Calculate Firm and Non-Firm ATC

The Transmission Service Provider shall use the following algorithm when calculating firm ATC for an ATC Path:

$$\mathbf{ATC_F = TTC - ETC_F - CBM - TRM + Postbacks_F + counterflows_F.}$$

Where:

ATC_F is the firm ATC for the ATC Path for that period for which ATC_F is being calculated.

TTC is the TTC of the ATC Path for that period.

ETC_F is the sum of existing firm commitments for the ATC Path as specified in NAESB Business Practice Standard WEQ-023-2.2.3 during that period for which ATC_F is being calculated.

CBM is the CBM for the ATC Path during that period.

TRM is the TRM for the ATC Path during that period.

$Postbacks_F$ are changes to firm ATC due to a change in the use of Transmission Service, as defined in NAESB Business Practice Standard WEQ-023-5.

counterflows$_F$ are adjustments to firm ATC as determined by the Transmission Provider and specified in Transmission Provider's ATCID.

The Transmission Service shall use the following algorithm when calculating non-firm ATC for an ATC Path:

$$\mathbf{ATC_{NF} = TTC - ETC_F - ETC_{NF} - CBM_s - TRM_u + Postbacks_{NF} + counterflows_{NF}}.$$

Where:

ATC$_{NF}$ is the non-firm ATC for the ATC Path for that period for which ATC$_{NF}$ is being calculated.

TTC is the TTC of the ATC Path for that period.

ETC$_F$ is the sum of existing firm commitments for the ATC Path as specified in NAESB Business Practice Standard WEQ-023-2.2.3 during that period for which ATC$_F$ is being calculated.

ETC$_{NF}$ is the sum of existing non-firm commitments for the ATC Path as specified in NAESB Business Practice Standard WEQ 023-2.2.4 during that period for which ATC$_{NF}$ is being calculated.

CBM$_S$ is the CBM for the ATC Path that has been scheduled during that period.

TRM$_U$ is the TRM for the ATC Path that has not been released for sale (unreleased) as non-firm capacity by the Transmission Service Provider during that period.

Postbacks$_{NF}$ are changes to non-firm ATC due to a change in the use of Transmission Service, as defined in NAESB Business Practice Standard WEQ-023-5.

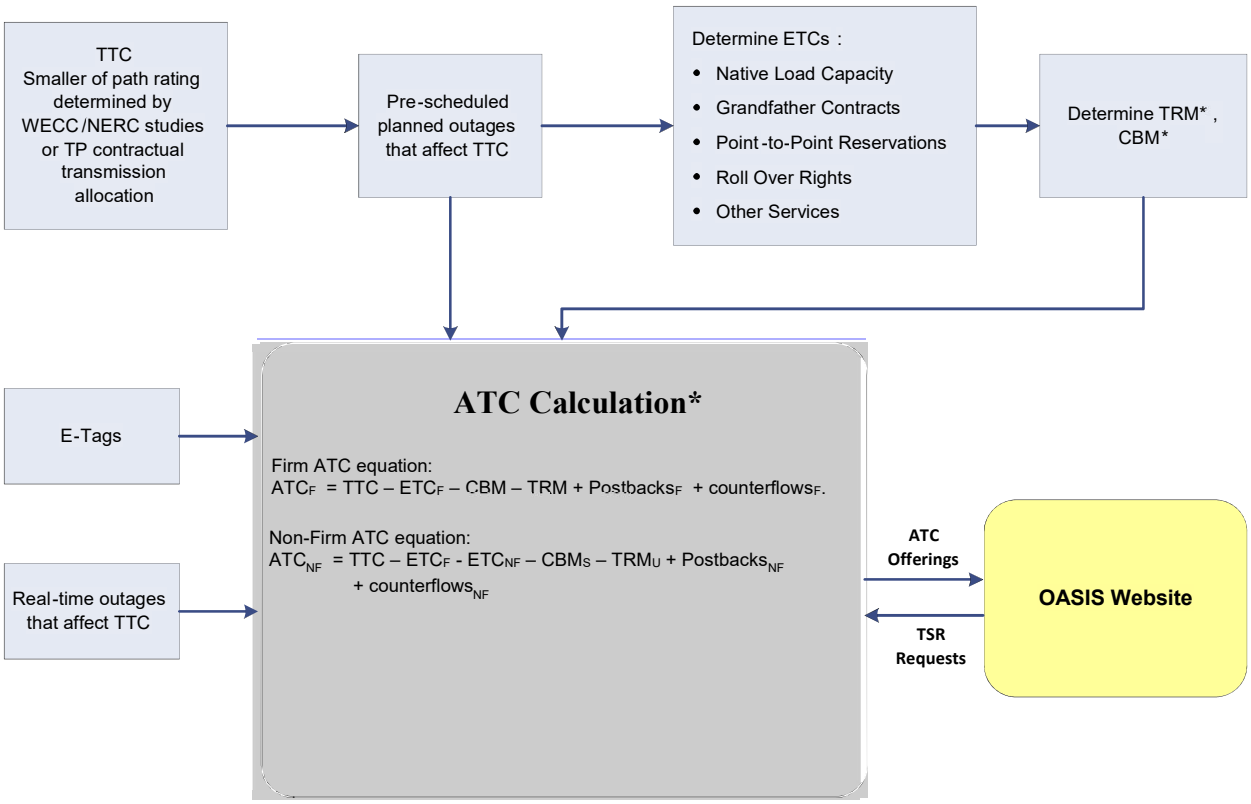
counterflows$_{NF}$ are adjustments to non-firm ATC as determined by the Transmission Service Provider and specified in its ATCID..

c. OASIS

The Transmission Provider's OASIS is provided by Open Access Technology International, Inc. (OATI) and is located at https://www.oasis.oati.com/ldwp/.

3. Process Flow Diagram

The process Transmission Provider uses to calculate ATC is illustrated as follows:



* Transmission Provider does not use TRM or CBM but may use them in the future.

4. Determination of TTC

a. Calculation Methodology

The current effective version of NAESB Business Practice Standard WEQ-023 is used to calculate TTCs for ATC Paths.

The TTC posted is the LADWP ownership or contractual share of the line capacity.

Transmission Provider models its system in segments. A segment or a path can be one or more lines in parallel. A posted path usually consists of one or more segments in series. For a posted path with multiple segments, the segment with the most limiting capacity will determine the TTC for the posted path.

TTC for Transmission Provider's internal paths are mostly flow-limited, so the TTC is determined by thermal rating.

b. **Databases used in TTC Assessments**

Transmission Provider uses the applicable WECC developed system seasonal power operating flow base cases.

c. Assumptions Used in TTC Assessments

The assumptions that LADWP uses in its TTC assessments, including load levels, generation dispatch, and modeling of planned and contingency outages, are set out in the current effective version of NAESB Business Practice Standard WEQ-023. The load and generation in the applicable WECC seasonal operating base case are adjusted to maximize transfers for the path under study.

5. Determination of ETC

a. **Calculation Methodology**

The Transmission Service Provider shall use the following algorithm when calculating firm ETC for an ATC Path:

$$\mathbf{ETC_F = NL_F + NITS_F + GF_F + PTP_F + ROR_F + OS_F}$$

Where:

ETC_F is the firm ETC for the ATC Path.

NL_F is the firm capacity set aside to serve peak NL forecast commitments, to include losses, and NL growth, not otherwise included in TRM or CBM.

$NITS_F$ is the firm capacity reserved for NITS serving load, to include losses, and Load growth, not otherwise included in TRM or CBM.

GF_F is the firm capacity set aside for grandfathered contracts for energy and/or Transmission Service, where executed prior to the effective date of Transmission Provider's Tariff .

PTP_F is the firm capacity reserved for confirmed PTP.

ROR_F is the firm capacity reserved for rollover rights for contracts granting Transmission Customers the ROFR to take or continue to take Transmission Service when the Transmission Customer's Transmission Service contract expires or is eligible for renewal.

OS_F is the firm capacity reserved for any other service(s), contract(s), or agreement(s) not specified above using Firm Transmission Service as specified in the ATCID.

The Transmission Service Provider shall use the following algorithm when calculating non-firm ETC for an ATC Path:

$$\mathbf{ETC_{NF} = NITS_{NF} + GF_{NF} + PTP_{NF} + OS_{NF}}$$

Where:

$\mathbf{ETC_{NF}}$ is the non-firm ETC for the ATC Path.

$\mathbf{NITS_{NF}}$ is the non-firm capacity reserved for Secondary Network Transmission Service to include losses, and load growth not otherwise included in TRM or CBM.

$\mathbf{GF_{NF}}$ is the non-firm capacity set aside for grandfathered contracts for energy and/or Transmission Service, where executed prior to the effective date of Transmission Provider's Tariff.

$\mathbf{PTP_{NF}}$ is non-firm capacity reserved for confirmed PTP.

$\mathbf{OS_{NF}}$ is the non-firm capacity reserved for any other service(s), contract(s), or agreement(s) not specified above using non-firm transmission service as specified in the ATCID.

b. Transmission Capacity Set Aside for Native Load Customers and Network Load

Capacity is necessary to meet the forecast load of Native Load Customers and Network Load (including transmission capacity for designated resources or new resources that are needed for load growth or to replace existing resources). As required by the OATT, Transmission Provider on behalf of its Native Load Customers and each Network Load submit to the Transmission Provider updates to the capacity needed for load and resources, annually and in the event of a material change. Additional periodic update of load and resources within the year may be required as described in the Transmission Provider's business practices.

c. Incorporation of Point-to-Point Transmission Service Requests

Existing, confirmed requests for Point-to-Point Transmission Service are modeled using the specified megawatt quantity, Point(s) of Receipt, and Point(s) of Delivery.

d. **Accounting for Rollover Rights**

Transmission Provider, in the absence a Transmission Customer providing notice to

terminate rights, assumes that a Transmission Customer will exercise rollover for existing long-term Transmission rights. To account for this assumption, transmission in the amount of the confirmed Transmission Service request is set aside. If a Transmission Customer does not exercise its rollover right, that amount may be removed from ETC.

e. Process to Ensure that Non-Firm Capacity is Released Properly

In the scheduling horizon, reserved capacity that is not scheduled will be posted back as non-firm ATC. This Postback occurs automatically based on the tags or schedules submitted which are compared against transmission reservations and existing commitments.

6. AFC Methodology

Transmission Provider does not currently use a Flowgate Methodology as described in NAESB Business Practice Standard WEQ-023 to calculate ATC.

7. **Determination of TRM**

Transmission Provider does not use TRM but may use TRM in the future.

8. Determination of CBM

Transmission Provider does not use CBM but may CBM in the future.

Attachment C

Redline version of LADWP's OATT, marked to show changes against its current OATT, inclusive of the proposed changes (in PDF format)

ATTACHMENT C

Methodology To Assess Available Transfer Capability

This Attachment C contains the Transmission Provider's methodology to assess Available Transfer Capability of the Transmission System. Transmission Provider posts its Available Transfer Capability Implementation Document (ATCID) on its OASIS.

1. Definitions

The following definitions only apply to Attachment C.

a. Available Transfer Capability (ATC)

~~ATC means the~~A measure of the transfer capability remaining in the physical transmission network for further commercial activity over and above already committed uses. ~~It is defined as Total Transfer Capability less Existing Transmission Commitments (including retail customer service), less a Capacity Benefit Margin, less a Transmission Reliability Margin, plus Postbacks, plus counterflows.~~

b. ATC Path

~~ATC Path means any~~Any combination of ~~Point of Receipt and Point of Delivery~~POR(s) to POD(s) for which ATC is calculated~~, and any Posted Path~~ as defined by the Transmission Operator or the Transmission Service Provider.

c. Capacity Benefit Margin (CBM)

~~CBM means the~~The amount of firm transmission transfer capability preserved by the ~~transmission provider~~Transmission Provider for ~~Load-Serving Entities (~~LSEs~~),~~ whose loads are located on that Transmission Service Provider's system, to enable access by the LSEs to generation from interconnected systems to meet generation reliability requirements. ~~Preservation of CBM for an LSE allows that entity to reduce its installed generating capacity below that which may otherwise have been necessary without interconnections to meet its generation reliability requirements. The transmission transfer capability preserved as CBM is intended to be used by the LSE only in times of emergency generation deficiencies. CBM_s is the CBM for the ATC Path that has been scheduled during that period.~~

~~d. Counterflows~~

~~Counterflows are adjustments to the Firm or Non-firm ATC on a path when there are Firm or Non-firm Transmission Service scheduled to flow in the opposite direction of the~~

~~same path.~~

~~c.~~d. Existing Transmission Commitments (ETC)

~~ETC means committed~~Committed uses of a Transmission Service Provider's ~~Transmission~~transmission system considered when determining ATC~~. The commitments can be firm (ETC_F)~~ or ~~non-firm (ETC_{NF}).~~AFC.

~~**f. Operating Horizon**~~

e. ~~Operating Horizon means a specified number~~**Postback**

A variable component of ~~hours extending past~~ the ~~end of the Scheduling Horizon.~~

~~**g. Planning Horizon**~~

~~Planning Horizon means a specified number of days extending past the end of the Operating Horizon.~~

~~**h. Postbacks**~~

~~Postbacks are changes to Firm or Non-firm~~Transmission Provider's selected ATC or AFC calculation methodology that positively impacts ATC or AFC based on a change in status of a ~~transmission service~~Transmission Service reservation or use of reserved capacity, or other conditions as specified by the Transmission Provider ~~in the ATCID.~~ .

~~i.~~f. Load Serving Entity (LSE)

~~LSE means Secures~~The responsible entity that secures energy and Transmission Service (and related Interconnected Operations Services) to serve the electrical demand and energy requirements of its end-use customers.

~~**j. Scheduling Horizon**~~

~~Scheduling Horizon means a specified number of hours extending past the current hour.~~

~~k.~~g. Total Transfer Capability (TTC)

~~TTC means the~~The amount of electric power that can be moved or transferred reliably from one area to another area of the interconnected transmission systems by way of all transmission lines (or paths) between those areas under specified system conditions.

~~l.~~h. Transmission Reliability Margin (TRM)

~~TRM means the~~The amount of transmission transfer capability necessary to provide reasonable assurance that the interconnected transmission network will be secure. TRM accounts for the inherent uncertainty in system conditions and the need for operating flexibility to ensure reliable system operation as system conditions change. ~~TRM_U is the~~

~~TRM for the ATC Path that has not been released for sale (unreleased) as non-firm capacity by the Transmission Provider during that period.~~

2. **Determination of ATC**

a. Rated System Path Methodology

Transmission Provider uses the Rated System Path Methodology to calculate ATC. The ~~currently~~current effective version of ~~NERC Reliability~~NAESB Business Practice Standard ~~MOD-029 ("Rated System Path Methodology")~~WEQ-023 shall apply to calculate TTCs and ATCs for ATC Paths.

b. Description of the Mathematical Algorithms Used to Calculate Firm and Non-Firm ATC

~~To determine firm and non-firm ATC, the~~ The Transmission Service Provider ~~uses~~shall use the following ~~algorithms~~algorithm when calculating firm ATC for ~~the Scheduling Horizon, Operating Horizon and Planning Horizon.~~

~~The equation to calculate firm~~ an ATC ~~is:~~Path:

$$\mathbf{ATC_F = TTC - ETC_F - CBM - TRM + Postbacks_F + \sout{Counterflows_F} counterflows_F}.$$

Where:

ATC_F is the firm ATC for the ATC Path for that period for which ATC_F is being calculated.

TTC is the TTC of the ATC Path for that period.

ETC_F is the sum of existing firm commitments for the ATC Path as specified in NAESB Business Practice Standard WEQ-023-2.2.3 during that period for which ATC_F is being calculated.

CBM is the CBM for the ATC Path during that period.

TRM is the TRM for the ATC Path during that period.

$Postbacks_F$ are changes to firm ATC due to a change in the use of Transmission Service, as defined in NAESB Business Practice Standard WEQ-023-5.

$counterflows_F$ are adjustments to firm ATC as determined by the Transmission Provider and specified in Transmission Provider's ATCID.

The ~~equation to calculate~~Transmission Service shall use the following algorithm when calculating non-firm ATC ~~is~~for an ATC Path:

$$\mathbf{ATC_{NF} = TTC - ETC_F - ETC_{NF} - CBM_s - TRM_u + Postbacks_{NF} + ~~Counterflows_{NF}~~ counterflows_{NF}}.$$

~~**c. Specific Mathematical Algorithms Used to Calculate Firm and Non-Firm ATC**~~

~~The specific mathematical algorithms used to calculate firm and~~**Where:**

ATC_{NF} is the non-firm ATC for the ATC Path for that period for which ATC_{NF} is being calculated.

TTC is the TTC of the ATC Path for that period.

ETC_F is the sum of existing firm commitments for the ATC Path as specified in NAESB Business Practice Standard WEQ-023-2.2.3 during that period for which ATC_F is being calculated.

ETC_{NF} is the sum of existing non-firm commitments for the ATC Path as specified in NAESB Business Practice Standard WEQ 023-2.2.4 during that period for which ATC_{NF} is being calculated.

CBM_S is the CBM for the ATC Path that has been scheduled during that period.

TRM_U is the TRM for the ATC Path that has not been released for sale (unreleased) as non-firm capacity by the Transmission Service Provider during that period.

$Postbacks_{NF}$ are ~~located on LADWP's OASIS website at:~~changes to non-firm ATC due to a change in the use of Transmission Service, as defined in NAESB Business Practice Standard WEQ-023-5.

~~https://www.oasis.oati.com/LDWP/LDWPdocs/ATC_Algorithms.pdf.~~**counterflows$_{NF}$** are adjustments to non-firm ATC as determined by the Transmission Service Provider and specified in its ATCID..

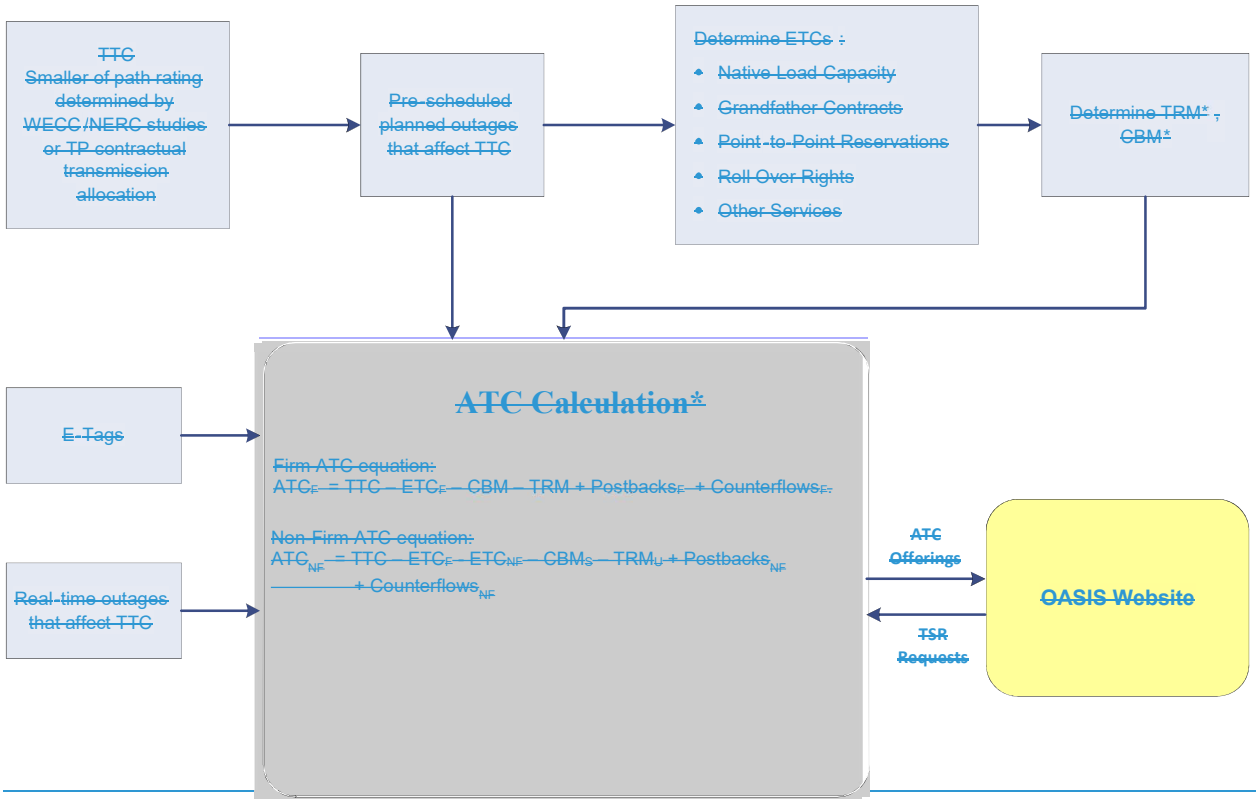
~~d.~~c. OASIS

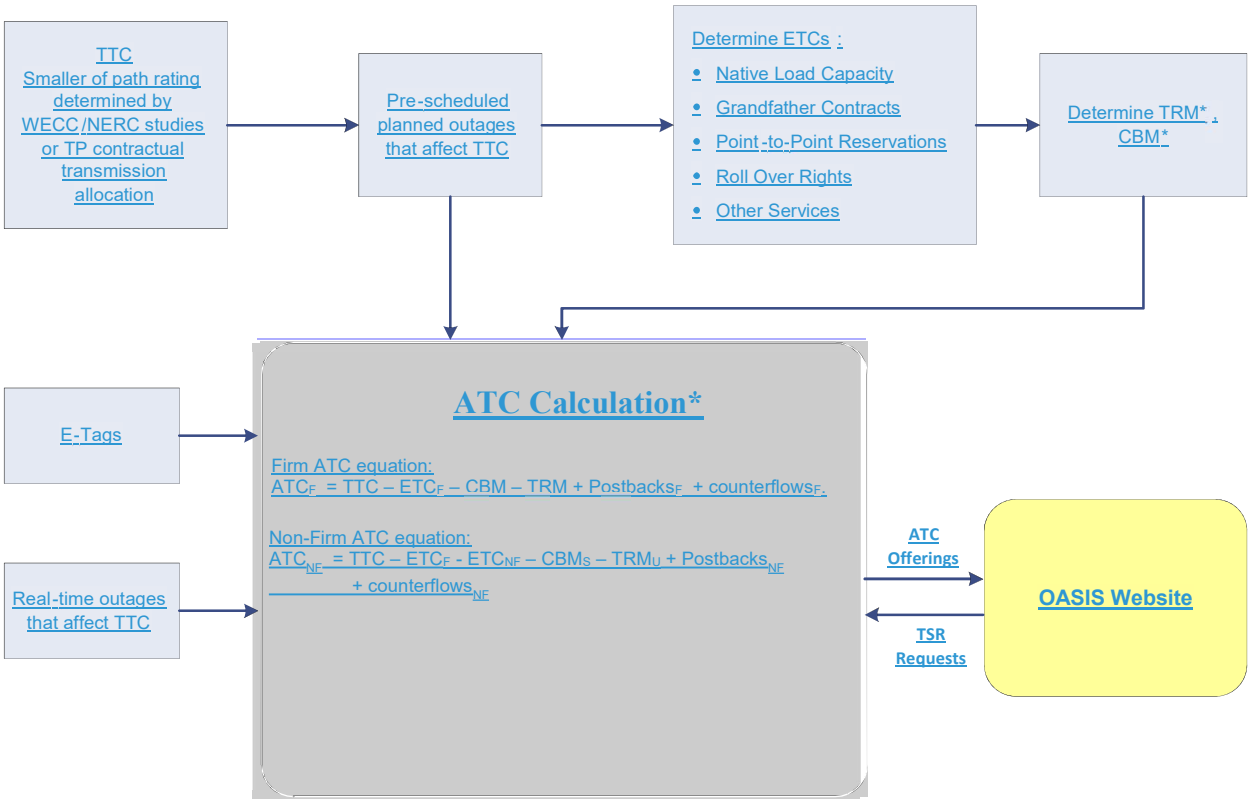
The Transmission Provider's OASIS is provided by Open Access Technology International, Inc. (OATI) and is located at

https://www.oasis.oati.com/ldwp/.

3. Process Flow Diagram

The process Transmission Provider uses to calculate ATC is illustrated as follows:





* Transmission Provider does not use TRM or CBM but may use them in the future.

4. Determination of TTC

a. Calculation Methodology

The ~~currently~~current effective version of ~~NERC Reliability~~NAESB Business Practice Standard ~~MOD-029 ("Rated System Path Methodology")~~WEQ-023 is used to calculate TTCs for ATC Paths.

The TTC posted is the LADWP ownership or contractual share of the line capacity.

Transmission Provider models its system in segments. A segment or a path can be one or more lines in parallel. A posted path usually consists of one or more segments in series. For a posted path with multiple segments, the segment with the most limiting capacity will determine the TTC for the posted path.

TTC for Transmission Provider's internal paths are mostly flow-limited, so the TTC is determined by thermal rating.

b. **Databases used in TTC Assessments**

Transmission Provider uses the applicable WECC developed system seasonal power operating flow base cases.

c. Assumptions Used in TTC Assessments

The assumptions that LADWP uses in its TTC assessments, including load levels, generation dispatch, and modeling of planned and contingency outages, are set out in ~~Requirement R2 of~~ the ~~currently~~current effective version of ~~NERC Reliability~~NAESB Business Practice Standard ~~MOD-029 ("Rated System Path Methodology").~~WEQ-023. The load and generation in the applicable WECC seasonal operating base case are adjusted to maximize transfers for the path under study.

5. Determination of ETC

a. **Calculation Methodology**

The Transmission Service Provider ~~uses~~shall use the following ~~algorithms for Scheduling Horizon, Operating Horizon and Planning Horizon to calculate Firm and Non-Firm Existing Transmission Commitments, as provided in R5 and R6 of MOD-029-1a, respectively.~~

~~The equation to calculate~~algorithm when calculating firm ETC ~~is~~for an ATC Path:

$$\mathbf{ETC_F = NL_F + NITS_F + GF_F + PTP_F + ROR_F + OS_F}$$

Where:

ETC_F is the firm ETC for the ATC Path.

NL_F is the firm capacity set aside to serve peak ~~Native Load~~NL forecast commitments ~~for the time period being calculated~~, to include losses, and ~~Native Load~~ NL growth, not otherwise included in ~~Transmission Reliability Margin~~TRM or ~~Capacity Benefit Margin.~~ CBM.

$NITS_F$ is the firm capacity reserved for ~~Network Integration Transmission Service~~NITS serving load, to include losses, and ~~load~~Load growth, not otherwise included in ~~Transmission Reliability Margin~~TRM or ~~Capacity Benefit Margin.~~CBM.

GF_F is the firm capacity set aside for grandfathered ~~Transmission Service and~~ contracts for energy and/or Transmission Service, where executed prior to the effective date of Transmission Provider's ~~Open Access Transmission Tariff or "safe harbor tariff."~~Tariff .

PTP_F is the firm capacity reserved for confirmed ~~Point-to-Point Transmission Service.~~PTP.

ROR_F is the firm capacity reserved for ~~Roll-over~~rollover rights for contracts granting Transmission Customers the ~~right of first refusal~~ROFR to take or continue to take Transmission Service when the Transmission Customer's Transmission Service contract expires or is eligible for renewal.

OS_F is the firm capacity reserved for any other service(s), contract(s), or agreement(s) not specified above using Firm Transmission Service as specified in the ATCID.

The ~~equation to calculate~~Transmission Service Provider shall use the following algorithm when calculating non-firm ETC ~~is~~for an ATC Path:

$$\mathbf{ETC_{NF} = \sout{NL_{NF} +} NITS_{NF} + GF_{NF} + PTP_{NF} + \sout{ROR_{NF} +} OS_{NF}}$$

Where:

~~**NL_{NF}** is the non-firm capacity set aside to serve peak Native Load forecast commitments for the time period being calculated, to include losses, and Native Load growth, not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.~~

ETC_{NF} is the non-firm ETC for the ATC Path.

$NITS_{NF}$ is the non-firm capacity ~~set aside~~reserved for Secondary Network ~~Integration~~ Transmission Service ~~serving~~ to include losses, and load ~~(i.e., secondary network service), to include losses, and load~~ growth not otherwise included in ~~Transmission Reliability Margin~~ TRM or ~~Capacity Benefit Margin~~CBM.

GF_{NF} is the non-firm capacity set aside for grandfathered ~~Transmission Service and~~ contracts for energy and/or Transmission Service, where executed prior to the effective date of Transmission Provider's ~~Open Access Transmission Tariff or "safe harbor tariff."~~ Tariff.

~~**ROR_{NF}** is the non-firm capacity reserved for Roll-over rights for contracts granting Transmission Customers the right of first refusal to take or continue to take Transmission Service when the Transmission Customer's Transmission Service contract expires or is eligible for renewal.~~

PTP_{NF} is non-firm capacity reserved for confirmed ~~Point-to-Point Transmission Service~~PTP.

OS_{NF} is the non-firm capacity reserved for any other service(s), contract(s), or agreement(s) not specified above using non-firm transmission service as specified in the ATCID.

b. Transmission Capacity Set Aside for Native Load Customers and Network Load

Capacity is necessary to meet the forecast load of Native Load Customers and Network Load (including transmission capacity for designated resources or new resources that are needed for load growth or to replace existing resources). As required by the OATT, Transmission Provider on behalf of its Native Load Customers and each Network ~~Customer on behalf of its Network~~ Load submit to the Transmission Provider updates to the capacity needed for load and resources, annually and in the event of a material change. Additional periodic update of load and resources within the year may be required as described in the ~~transmission provider's~~Transmission Provider's business practices.

c. Incorporation of Point-to-Point Transmission Service Requests

Existing, confirmed requests for Point-to-Point Transmission Service are modeled using the specified megawatt quantity, Point(s) of Receipt, and Point(s) of Delivery.

d. Accounting for Rollover Rights

Transmission Provider, in the absence a Transmission Customer providing notice to terminate rights, assumes that a Transmission Customer will exercise rollover for existing long-term Transmission rights. To account for this assumption, transmission in the amount of the confirmed ~~transmission service~~Transmission Service request is set aside. If a Transmission Customer does not exercise its rollover right, that amount may be removed from ETC.

e. Process ~~for~~to Ensure that Non-Firm Capacity is Released Properly

In the scheduling horizon, reserved capacity that is not scheduled will be posted back as non-firm ATC. This Postback occurs automatically based on the tags or schedules submitted which are compared against transmission reservations and existing commitments.

6. AFC Methodology

Transmission Provider does not currently use a ~~flowgate methodology~~Flowgate Methodology as described in NAESB Business Practice Standard WEQ-023 to calculate ATC.

7. Determination of TRM

Transmission Provider does not use TRM but may use TRM in the future.

8. Determination of CBM

Transmission Provider does not use CBM but may CBM in the future.

Attachment D

Redline of the final proposed changes against the changes contained in the December 28, 2023 Proposal

ATTACHMENT C

Methodology To Assess Available Transfer Capability

This Attachment C contains the Transmission Provider's methodology to assess Available Transfer Capability of the Transmission System. Transmission Provider posts its Available Transfer Capability Implementation Document (ATCID) on its OASIS.

1. Definitions

The following definitions only apply to Attachment C.

a. Available Transfer Capability (ATC)

~~ATC means the~~A measure of the transfer capability remaining in the physical transmission network for further commercial activity over and above already committed uses. ~~It is defined as Total Transfer Capability less Existing Transmission Commitments (including retail customer service), less a Capacity Benefit Margin, less a Transmission Reliability Margin, plus Postbacks, plus counterflows.~~

b. ATC Path

~~ATC Path means any~~Any combination of ~~Point of Receipt and Point of Delivery~~POR(s) to POD(s) for which ATC is calculated~~, and any Posted Path~~ as defined by the Transmission Operator or the Transmission Service Provider.

c. Capacity Benefit Margin (CBM)

~~CBM means the~~The amount of firm transmission transfer capability preserved by the ~~transmission provider~~Transmission Provider for ~~Load-Serving Entities (~~LSEs~~),~~ whose loads are located on that Transmission Service Provider's system, to enable access by the LSEs to generation from interconnected systems to meet generation reliability requirements. ~~Preservation of CBM for an LSE allows that entity to reduce its installed generating capacity below that which may otherwise have been necessary without interconnections to meet its generation reliability requirements. The transmission transfer capability preserved as CBM is intended to be used by the LSE only in times of emergency generation deficiencies. CBM_s is the CBM for the ATC Path that has been scheduled during that period.~~

~~d. Counterflows~~

~~Counterflows are adjustments to the Firm or Non-firm ATC on a path when there are Firm or Non-firm Transmission Service scheduled to flow in the opposite direction of the same path.~~

~~c.~~d. Existing Transmission Commitments (ETC)

~~ETC means committed~~Committed uses of a Transmission Service Provider's ~~Transmission~~transmission system considered when determining ATC~~. The commitments can be firm (ETC_F)~~ or ~~non-firm (ETC_{NF}).~~AFC.

~~**f. Operating Horizon**~~

e. ~~Operating Horizon means a specified number~~Postback

A variable component of ~~hours extending past~~ the ~~end of the Scheduling Horizon.~~

~~**g. Planning Horizon**~~

~~Planning Horizon means a specified number of days extending past the end of the Operating Horizon.~~

~~**h. Postbacks**~~

~~Postbacks are changes to Firm or Non-firm~~Transmission Provider's selected ATC or AFC calculation methodology that positively impacts ATC or AFC based on a change in status of a ~~transmission service~~Transmission Service reservation or use of reserved capacity, or other conditions as specified by the Transmission Provider ~~in the ATCID.~~ .

~~i.~~f. Load Serving Entity (LSE)

~~LSE means Secures~~The responsible entity that secures energy and Transmission Service (and related Interconnected Operations Services) to serve the electrical demand and energy requirements of its end-use customers.

~~**j. Scheduling Horizon**~~

~~Scheduling Horizon means a specified number of hours extending past the current hour.~~

~~k.~~g. Total Transfer Capability (TTC)

~~TTC means the~~The amount of electric power that can be moved or transferred reliably from one area to another area of the interconnected transmission systems by way of all transmission lines (or paths) between those areas under specified system conditions.

~~l.~~h. Transmission Reliability Margin (TRM)

~~TRM means the~~The amount of transmission transfer capability necessary to provide reasonable assurance that the interconnected transmission network will be secure. TRM accounts for the inherent uncertainty in system conditions and the need for operating flexibility to ensure reliable system operation as system conditions change. ~~TRM_U is the TRM for the ATC Path that has not been released for sale (unreleased) as non-firm capacity by the Transmission Provider during that period.~~

2. Determination of ATC

a. Rated System Path Methodology

Transmission Provider uses the Rated System Path Methodology to calculate ATC. The ~~currently~~current effective version of NAESB Business Practice Standard WEQ-023 shall apply to calculate TTCs and ATCs for ATC Paths.

b. Description of the Mathematical Algorithms Used to Calculate Firm and Non-Firm ATC

~~To determine firm and non-firm ATC, the~~ The Transmission Service Provider ~~uses~~shall use the following ~~algorithms~~algorithm when calculating firm ATC for ~~the Scheduling Horizon, Operating Horizon and Planning Horizon.~~

~~The equation to calculate firm~~ an ATC ~~is:~~Path:

$$\mathbf{ATC_F = TTC - ETC_F - CBM - TRM + Postbacks_F + \sum Counterflows_F \sum counterflows_F}.$$

Where:

ATC_F is the firm ATC for the ATC Path for that period for which ATC_F is being calculated.

TTC is the TTC of the ATC Path for that period.

ETC_F is the sum of existing firm commitments for the ATC Path as specified in NAESB Business Practice Standard WEQ-023-2.2.3 during that period for which ATC_F is being calculated.

CBM is the CBM for the ATC Path during that period.

TRM is the TRM for the ATC Path during that period.

$Postbacks_F$ are changes to firm ATC due to a change in the use of Transmission Service, as defined in NAESB Business Practice Standard WEQ-023-5.

$counterflows_F$ are adjustments to firm ATC as determined by the Transmission Provider and specified in Transmission Provider's ATCID.

The ~~equation to calculate~~Transmission Service shall use the following algorithm when calculating non-firm ATC ~~is~~for an ATC Path:

$$\mathbf{ATC_{NF} = TTC - ETC_F - ETC_{NF} - CBM_s - TRM_u + Postbacks_{NF} + \sum Counterflows_{NF} \sum counterflows_{NF}}.$$

~~c. Specific Mathematical Algorithms Used to Calculate Firm and Non-Firm ATC~~

~~The specific mathematical algorithms used to calculate firm and~~**Where:**

ATC_{NF} is the non-firm ATC for the ATC Path for that period for which ATC_{NF} is being calculated.

TTC is the TTC of the ATC Path for that period.

ETC_F is the sum of existing firm commitments for the ATC Path as specified in NAESB Business Practice Standard WEQ-023-2.2.3 during that period for which ATC_F is being calculated.

ETC_{NF} is the sum of existing non-firm commitments for the ATC Path as specified in NAESB Business Practice Standard WEQ 023-2.2.4 during that period for which ATC_{NF} is being calculated.

CBM_S is the CBM for the ATC Path that has been scheduled during that period.

TRM_U is the TRM for the ATC Path that has not been released for sale (unreleased) as non-firm capacity by the Transmission Service Provider during that period.

$Postbacks_{NF}$ are ~~located on LADWP's OASIS website at:~~changes to non-firm ATC due to a change in the use of Transmission Service, as defined in NAESB Business Practice Standard WEQ-023-5.

~~https://www.oasis.oati.com/LDWP/LDWPdocs/ATC_Algorithms.pdf.~~**counterflows$_{NF}$** are adjustments to non-firm ATC as determined by the Transmission Service Provider and specified in its ATCID..

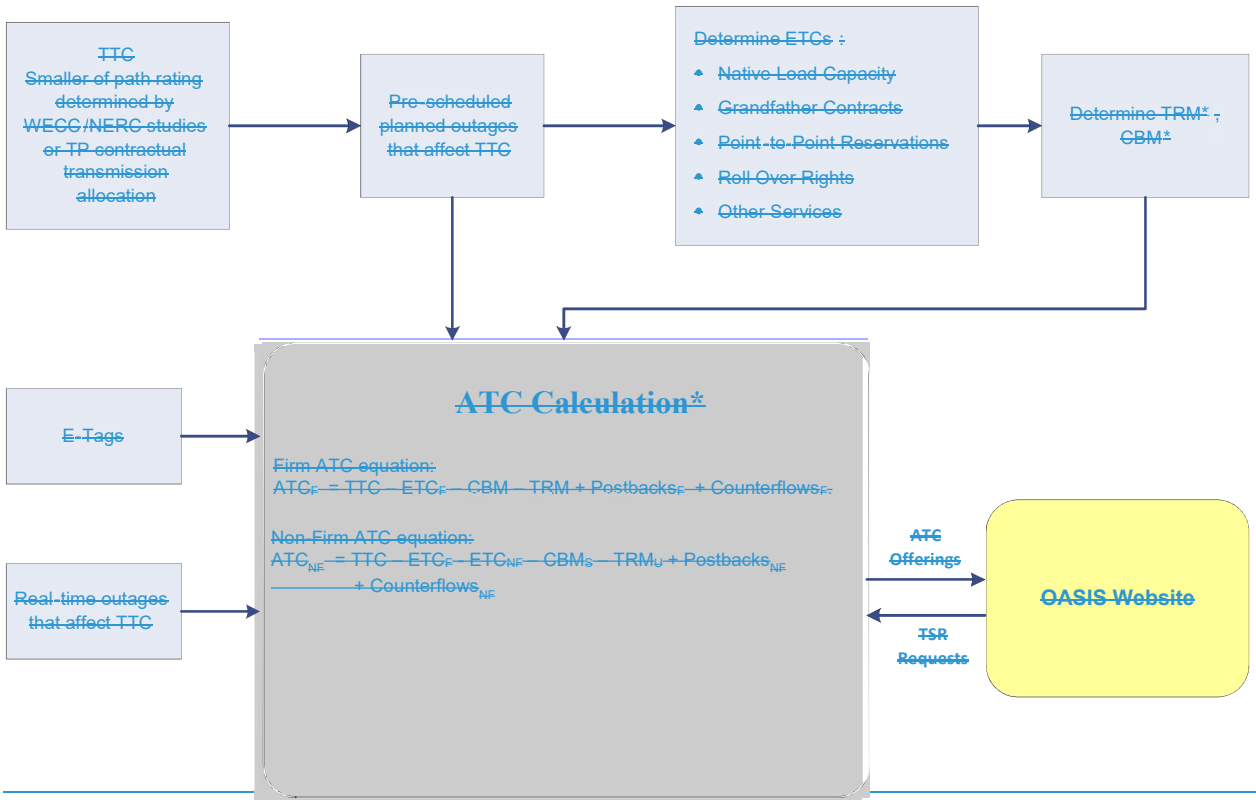
~~d.~~**c. OASIS**

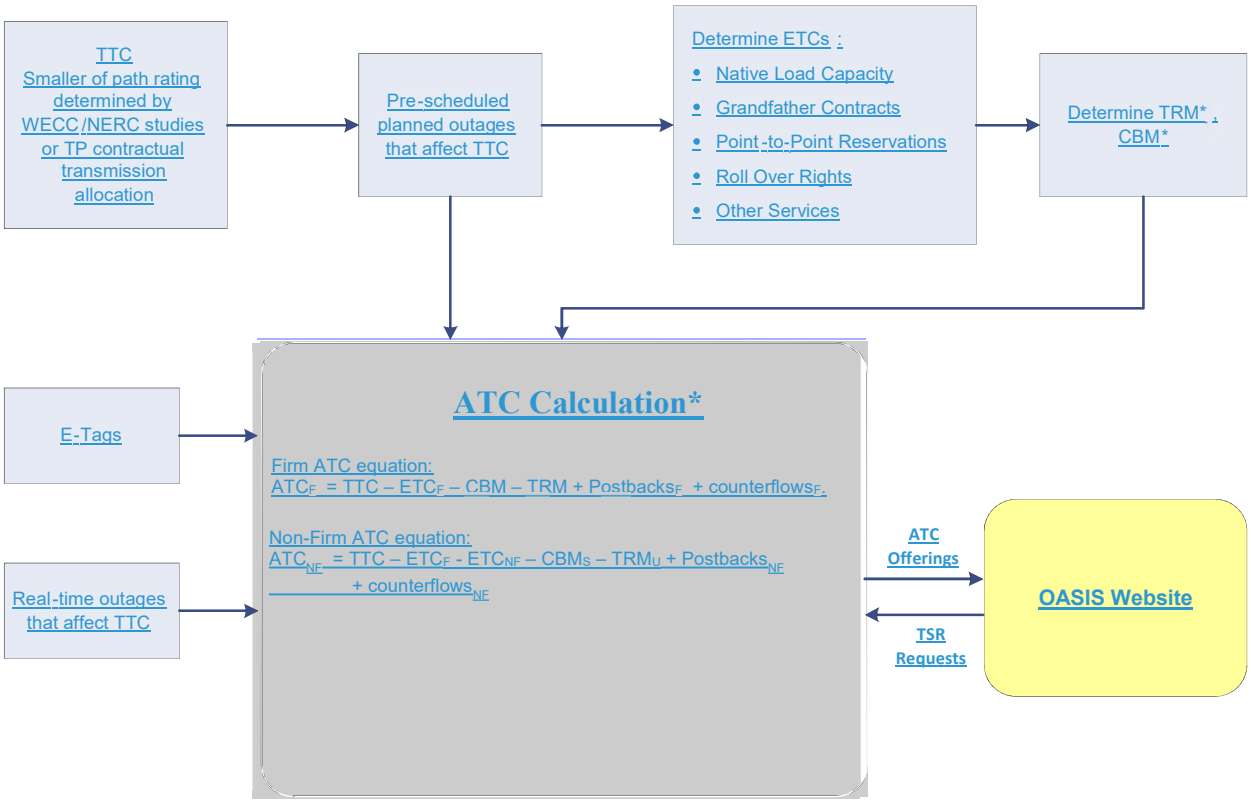
The Transmission Provider's OASIS is provided by Open Access Technology International, Inc. (OATI) and is located at

https://www.oasis.oati.com/ldwp/.

3. Process Flow Diagram

The process Transmission Provider uses to calculate ATC is illustrated as follows:





* Transmission Provider does not use TRM or CBM but may use them in the future.

4. Determination of TTC

a. Calculation Methodology

The ~~currently~~current effective version of NAESB Business Practice Standard WEQ-023 is used to calculate TTCs for ATC Paths.

The TTC posted is the LADWP ownership or contractual share of the line capacity.

Transmission Provider models its system in segments. A segment or a path can be one or more lines in parallel. A posted path usually consists of one or more segments in series. For a posted path with multiple segments, the segment with the most limiting capacity will determine the TTC for the posted path.

TTC for Transmission Provider's internal paths are mostly flow-limited, so the TTC is determined by thermal rating.

b. Databases used in TTC Assessments

Transmission Provider uses the applicable WECC developed system seasonal power operating flow base cases.

c. Assumptions Used in TTC Assessments

The assumptions that LADWP uses in its TTC assessments, including load levels, generation dispatch, and modeling of planned and contingency outages, are set out in the ~~currently~~current effective version of NAESB Business Practice Standard WEQ-023. The load and generation in the applicable WECC seasonal operating base case are adjusted to maximize transfers for the path under study.

5. Determination of ETC

a. Calculation Methodology

The Transmission Service Provider ~~uses~~shall use the following ~~algorithms for Scheduling Horizon, Operating Horizon and Planning Horizon to calculate Firm and Non-Firm Existing Transmission Commitments, as provided in NAESB Business Practice Standard WEQ-023.~~

~~The equation to calculate~~algorithm when calculating firm ETC ~~is~~for an ATC Path:

$$\mathbf{ETC_F = NL_F + NITS_F + GF_F + PTP_F + ROR_F + OS_F}$$

Where:

ETC_F is the firm ETC for the ATC Path.

NL_F is the firm capacity set aside to serve peak ~~Native Load~~NL forecast commitments ~~for the time period being calculated~~, to include losses, and ~~Native Load~~ NL growth, not otherwise included in ~~Transmission Reliability Margin~~TRM or ~~Capacity Benefit Margin.~~ CBM.

$NITS_F$ is the firm capacity reserved for ~~Network Integration Transmission Service~~NITS serving load, to include losses, and ~~load~~Load growth, not otherwise included in ~~Transmission Reliability Margin~~TRM or ~~Capacity Benefit Margin.~~CBM.

GF_F is the firm capacity set aside for grandfathered ~~Transmission Service and~~ contracts for energy and/or Transmission Service, where executed prior to the effective date of Transmission Provider's ~~Open Access Transmission Tariff or "safe harbor tariff."~~Tariff .

PTP_F is the firm capacity reserved for confirmed ~~Point-to-Point Transmission Service.~~PTP.

ROR_F is the firm capacity reserved for ~~Roll-over~~rollover rights for contracts granting Transmission Customers the ~~right of first refusal~~ROFR to take or continue to take Transmission Service when the Transmission Customer's Transmission Service contract expires or is eligible for renewal.

OS_F is the firm capacity reserved for any other service(s), contract(s), or agreement(s) not specified above using Firm Transmission Service as specified in the ATCID.

The ~~equation to calculate~~Transmission Service Provider shall use the following algorithm when calculating non-firm ETC ~~is~~for an ATC Path:

$ETC_{NF} = NL_{NF} + NITS_{NF} + GF_{NF} + PTP_{NF} + ROR_{NF} + OS_{NF}$

Where:

~~**NL_{NF}** is the non-firm capacity set aside to serve peak Native Load forecast commitments for the time period being calculated, to include losses, and Native Load growth, not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.~~

ETC_{NF} is the non-firm ETC for the ATC Path.

$NITS_{NF}$ is the non-firm capacity ~~set aside~~reserved for Secondary Network ~~Integration~~ Transmission Service ~~serving~~ to include losses, and load ~~(i.e., secondary network service), to include losses, and load~~ growth not otherwise included in ~~Transmission Reliability Margin~~ TRM or ~~Capacity Benefit Margin~~CBM.

GF_{NF} is the non-firm capacity set aside for grandfathered ~~Transmission Service and~~ contracts for energy and/or Transmission Service, where executed prior to the effective date of Transmission Provider's ~~Open Access Transmission Tariff or "safe harbor tariff."~~ Tariff.

~~**ROR_{NF}** is the non-firm capacity reserved for Roll-over rights for contracts granting Transmission Customers the right of first refusal to take or continue to take Transmission Service when the Transmission Customer's Transmission Service contract expires or is eligible for renewal.~~

PTP_{NF} is non-firm capacity reserved for confirmed ~~Point-to-Point Transmission Service~~PTP.

OS_{NF} is the non-firm capacity reserved for any other service(s), contract(s), or agreement(s) not specified above using non-firm transmission service as specified in the ATCID.

b. Transmission Capacity Set Aside for Native Load Customers and Network Load

Capacity is necessary to meet the forecast load of Native Load Customers and Network Load (including transmission capacity for designated resources or new resources that are needed for load growth or to replace existing resources). As required by the OATT, Transmission Provider on behalf of its Native Load Customers and each Network ~~Customer on behalf of its Network~~ Load submit to the Transmission Provider updates to the capacity needed for load and resources, annually and in the event of a material change. Additional periodic update of load and resources within the year may be required as described in the ~~transmission provider's~~Transmission Provider's business practices.

c. Incorporation of Point-to-Point Transmission Service Requests

Existing, confirmed requests for Point-to-Point Transmission Service are modeled using the specified megawatt quantity, Point(s) of Receipt, and Point(s) of Delivery.

d. **Accounting for Rollover Rights**

Transmission Provider, in the absence a Transmission Customer providing notice to terminate rights, assumes that a Transmission Customer will exercise rollover for existing long-term Transmission rights. To account for this assumption, transmission in the amount of the confirmed ~~transmission service~~Transmission Service request is set aside. If a Transmission Customer does not exercise its rollover right, that amount may be removed from ETC.

e. Process ~~for~~to Ensure that Non-Firm Capacity is Released Properly

In the scheduling horizon, reserved capacity that is not scheduled will be posted back as non-firm ATC. This Postback occurs automatically based on the tags or schedules submitted which are compared against transmission reservations and existing commitments.

6. AFC Methodology

Transmission Provider does not currently use a ~~flowgate methodology~~Flowgate Methodology as described in NAESB Business Practice Standard WEQ-023 to calculate ATC.

7. **Determination of TRM**

Transmission Provider does not use TRM but may use TRM in the future.

8. Determination of CBM

Transmission Provider does not use CBM but may CBM in the future.

City of Los Angeles Department of Water and Power

Amendment No. 6 to LADWP's Open Access Transmission Tariff

Supplemental General Manager's Certificate

July 30, 2024

Amended General Manager's Certificate

On April 17, 2024, the General Manager of the Los Angeles Department of Water and Power ("LADWP") issued a General Manager' Certificate related to Amendment No. 6 to LADWP's Open Access Transmission Tariff ("OATT") (the "General Manager's Certificate").[1] The purpose of Amendment No. 6 was to align the calculation of available transfer capability with the North American Energy Standards Board's ("NAESB") Standards for Business Practices and Communication Protocols for Public Utilities adopted by the Wholesale Electric Quadrant (WEQ) of NAESB ("NAESB Standards").[2]

On April 22, 2024, the City of Burbank, California's Department of Water and Power ("Burbank" or "BWP") and the City of Glendale, California's Department of Water and Power ("Glendale" or "GWP") (collectively, the "Cities") provided LADWP with notice disputing the General Manager's Certificate and on May 1, 2024 provided LADWP with a description of the issues in dispute.[3] On May 15, 2024, LADWP, BWP and GWP, along with stakeholders that participated, met to resolve the issues in dispute.[4] This Supplement to the General Manager's Certificate is intended to document the resolution of the issues in dispute.

I. Access to NAESB Standards

The Cities requested access to the NAESB Standards upon which LADWP based the proposed changes to Attachment C of the OATT, as the Cities are not members of NAESB and did not otherwise have access to the NAESB Standards.

LADWP obtained a limited license from NAESB allowing the appliable NAESB Standards to be provided to the Cities and pursuant to that limited license provided copies of the NAESB Standards to the Cities. After review of the NAESB Standards, no concerns have been raised by the Cities with regard to the proposed changes to Attachment C of the OATT attached to the General Manager's Certificate. The General Manager therefore concludes that the Cities concerns related to Amendment No. 6 are resolved.

II. Attachments

No changes are proposed to the proposed OATT contained in the General Manager's Certificate.

III. Conclusion

---

[1] LADWP has changed the title of "General Manager and Chief Engineer" to "Chief Executive Officer and Chief Engineer" effective May 14,2024. Other than the title itself, the roles and responsibilities remain the same. The Chief Executive Officer and Chief Engineer has the authority to opine on all issues involving LADWP's OATT, and issue the General Manager's Certificate and any supplemental certificates thereafter.

[2] Electric Reliability Organization Proposal to Retire Requirements in Reliability Standards Under the NERC Standards Efficiency Review, 185 FERC ¶ 61,064 (October 26, 2023) ("Order No. 902").

[3] Departments of Water and Power for the Cities of Burbank and Glendale, California, *Appeal Brief* (May 1, 2024), *available at* http://www.oasis.oati.com/ldwp.

[4] *See* LADWP OATT-Amendments 5 and 6 Dispute Resolution Process Meeting, *Agenda*, *available at* http://www.oasis.oati.com/ldwp.

The General Manager continues to recommend that the Board and City Council approve the proposed OATT changes attached to the General Manager's Certificate, and that they become effective the first day of the month, following the date of approval by the City Council.

The proposed OATT changes along with this Supplemental General Manager's Certificate and the General Manager's Certificate will be provided for consideration to the Board and City Council.[5]

Dated this 30th day of July 2024.

By _____ 7/30/24
Janisse Quiñones
Chief Executive Officer and Chief Engineer
Los Angeles Department of Power and Water

[5] Tariff Change Procedures § 12(b).

CAO REPORT ATTACHMENT 2

ATTACHMENT M

Large Generator Interconnection Procedures

LOS ANGELES DEPARTMENT OF WATER AND POWER

LARGE GENERATOR

INTERCONNECTION PROCEDURES (LGIP)

including

LARGE GENERATOR

INTERCONNECTION AGREEMENT (LGIA)

Standard Large Generator
Interconnection Procedures (LGIP)
(Applicable to Generating Facilities that exceed 20 MW)

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Appendix 6 – Form Large Generator Interconnection Agreement

Appendix 7 – Interconnection Procedure for a Non-Synchronous Generating Facility

Large Generator
Interconnection Procedures (LGIP)
(Applicable to Generating Facilities that exceed 20 MW)

Section 1. Definitions

In addition to other terms defined within this LGIP, the following terms, whether in the singular or plural, when used herein and in appendices attached hereto and initially capitalized, shall have the meanings specified below:

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC or its successor, as the Applicable Reliability Council, and the Balancing Authority Area of the Transmission System to which the Generating Facility is directly interconnected.

Balancing Authority shall mean the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.

Balancing Authority Area shall mean 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 shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of an LGIA.

Breaching Party shall mean a Party that is in Breach of the provisions of an LGIA.

Bureau of Land Management (BLM) shall mean the U.S. Department of the Interior, Bureau of Land Management, or its successor agency, which manages federal public lands.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Cluster shall mean a group of Interconnection Requests (one or more) that are studied together for the purpose of conducting the Cluster Study.

Cluster Area shall mean the areas of the Transmission Provider's Transmission System that are included together in a Cluster, as described further in Section 7.4 of this LGIP.

Cluster Request Window shall have the meaning set forth in Section 4.2.1 of this LGIP.

Cluster Re-Study shall mean a re-study of a Cluster Study conducted pursuant to Section 7.4 of this LGIP.

Cluster Re-Study Report shall mean the report issued followed completion of a Cluster Re-Study pursuant to Section 7.4 of this LGIP.

Cluster Re-Study Meeting shall mean the meeting held to discuss the results of a Cluster Re-Study pursuant to Section 7.4 of this LGIP.

Cluster Study shall mean an Interconnection Study evaluating one or more Interconnection Requests within a Cluster, as described in more detail in Section 7.4 of this LGIP.

Cluster Study Agreement shall mean the form of agreement contained in Appendix 3 to the Standard Large Interconnection Procedures for conducting the Cluster Study.

Cluster Study Report shall mean the report issued following completion of a Cluster Study pursuant to Section 7.4 of this LGIP.

Cluster Study Report Meeting shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7.4 of this LGIP.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, as described in more detail in Section 7.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Large Generator Interconnection Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Contingent Facilities shall mean 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 Re-Studies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Customer Engagement Window shall have the meaning set forth in Section 7.2 of this LGIP.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the LGIA.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Large Generator Interconnection Agreement becomes effective upon execution by the Parties.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities, or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that, Interconnection Customer is not obligated by the Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or non-firm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Financial Security shall mean any of the forms of collateral or security listed in Section 2.2 of the Creditworthiness Procedures included in Attachment L to this Tariff.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof. In this context Transmission Provider does not include the City of Los Angeles or the Board of Water and Power Commissioners. Transmission Provider only includes the Department of Water and Power.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Informational Interconnection Study shall mean an analysis based on assumptions specified by Interconnection Customer in the Informational Interconnection Study Agreement and conducted pursuant to Section 6 of this LGIP.

Informational Interconnection Study Agreement shall mean the form of agreement contained in Appendix 2A to the Standard Large Generator Interconnection Procedures for conducting the Informational Interconnection Study.

Informational Interconnection Study Request shall mean an Interconnection Customer's request in the form of Appendix 2 to the Standard Large Generator Interconnection Procedures.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System. For purposes of the Transmission Provider's Cluster Study process conducted pursuant to Section 7

of this LGIP, and except as modified by Section 3 of Attachment N of the Transmission Provider's Tariff, "Interconnection Customer" shall also mean any Small Generating Facility that is participating in a Cluster.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades. Interconnection Facilities may be shared by more than one Generating Facility in a Cluster.

Interconnection Facilities Study shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities, and Network Upgrades as identified in the Cluster Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System. For purposes of the Transmission Provider's Cluster Study process conducted pursuant to Section 7 of this LGIP, and except as modified by Section 1.3 of Attachment N of the Transmission Provider's Tariff, "Interconnection Request" shall also mean any interconnection request from a Small Generating Facility that is participating in a Cluster.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Service Level or **Level of Interconnection Service** shall mean the maximum amount of electrical output (MW) requested by the Interconnection customer to be injected at the Point of Interconnection.

Interconnection Study shall mean any of the following studies: the Informational Interconnection Study, the Cluster Study, the Surplus Interconnection Service System Impact Study, and the Interconnection Facilities Study described in this LGIP.

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating andtechnical considerations of Interconnection Service.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Large Generator Interconnection Agreement ("LGIA") shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff.

Large Generator Interconnection Procedures ("LGIP") shall mean these interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in the Transmission Provider's Tariff.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance or non-performance of its obligations under the Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC shall mean the North American Electric Reliability Corporation or its successor organization.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall have the meaning ascribed in Section 13.5 of this LGIP.

Party or Parties shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Permissible Technological Advancement shall mean a change to the Generating Facilities of the Interconnection Customer's Interconnection Request that: (1) results in the inclusion of technologies that achieve cost and/or grid performance efficiencies; (2) results in electrical performance equal to or better than the electrical performance expected prior to the technology change; (3) would not trigger a Material Modification, as defined in this LGIP; and (4) would not cause any reliability concerns relative to short circuit capability limits, steady-state

thermal and voltage limits, or dynamic system stability and response. Permissible technological advancements may include advancements to turbines, inverters, plant supervisory controls, or other technological advancements that may enhance a generating facility's ability to provide ancillary services, but do not include changes in generation technology or fuel type (including the energy source behind an inverter).

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Delivery shall have the meaning ascribed in the Tariff.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Point of Receipt shall have the meaning ascribed in the Tariff.

Preliminary Plan of Development ("PPOD") shall mean the plan required to be submitted to the BLM, if any, to obtain necessary permits or Right-of-Way grants as may be required for the construction of the Generating Facility and Interconnection Customer Interconnection Facilities, which are to be sited, all or partially, on BLM-managed lands.

Provisional Interconnection Service shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time that Interconnection Customer satisfies all of the requirements of Sections 3, 4, and 7 to enter the Cluster Study Process.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under this LGIP or the LGIA, 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.

Readiness Milestone Options shall mean the options set forth in Section 3.4.1(v) of the LGIP.

Resource Plan shall mean any process authorized or required by Applicable Laws and Regulations for, inter alia, the selection of Generating Facilities.

Resource Solicitation Process shall mean any process authorized or required by Applicable Laws and Regulations for the acquisition of Network Resources.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing the proposed interconnection request, alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to affect such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control shall mean 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 interest in a site of sufficient size to construct and operate the Generating Facility; or (3) any other documentation that clearly demonstrates the right of the Interconnection Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. For purposes of lands managed by a governmental entity (such as BLM), a PPOD or equivalent government-issued documentation, shall be sufficient for demonstrating Site Control as to such government-managed land. Site Control for any co-located project is demonstrated by a contract or other agreement demonstrating shared land use for all co-located projects that meet the aforementioned provisions of this Site Control definition.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Large Generator Interconnection

Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the TransmissionProvider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service established in a 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.

Surplus Interconnection Service System Impact Study shall mean an engineering study that evaluates the impact of a proposed request for Surplus Interconnection Service on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in these Large Generator Interconnection Procedures.

Surplus Interconnection Service System Impact Study Agreement shall mean the form of agreement contained in Appendix 5 of these Large Generator Interconnection Procedures for conducting a system impact study for purposes of evaluating a request for Surplus Interconnection Service pursuant to Section 3.3 of this LGIP.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as amended or supplemented from time to time, or any successor tariff.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider shall mean the transmitting utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades. Transmission Provider's Interconnection Facilities may be shared by more than one Generating Facility in a given Cluster Study.

Transmission System shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Withdrawal Penalty shall have the meaning set forth in Section 3.7.1 of this LGIP.

Section 2. Scope and Application

2.1 Application of Large Generator Interconnection Procedures

Sections 2 through 13 apply to processing an Interconnection Request pertaining to a Large Generating Facility. As provided in Section 3 of Attachment N the Tariff, Small Generating Facilities that are not eligible for the fast track or inverter process will be processed in a single study process with Large Generating Facilities. Additionally, Small Generating Facilities requesting Network Resource Interconnection Service shall be processed under this LGIP. As provided for in Section 3 of Attachment N, interconnection requests for Small Generating Facilities may be studied together in Clusters with Interconnection Requests for Large Generating Facilities.

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 will use the same Reasonable Efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Generating Facilities are owned by Transmission Provider, its subsidiaries or 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 the 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 transmission expansion plan has been submitted and approved by the applicable authority.

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 EIM Requirements.

The Interconnection Customer shall have a continuing duty to comply with Attachment O of this Tariff, as applicable.

Section 3. Interconnection Requests and Informational Interconnection Study Requests

3.1 Interconnection Requests

An Interconnection Customer shall submit to Transmission Provider, during a Cluster Request Window, an Interconnection Request in the form of Appendix 1 to this LGIP and a refundable deposit of: (a) $75,000 for requests of less than 50

MW; (b) $150,000 for requests of 50 MW and greater, but less than 200 MW; or (c) $250,000 for requests of 200 MW and greater. Pursuant to Section 4.2.2, Transmission Provider shall apply the deposit toward a Cluster Study into which Interconnection Customer is admitted including such Interconnection Customer's individual Facilities Study, and shall be used to process Interconnection Customer's request. For Small Generating Facilities, the appropriate application fee or deposit shall be determined pursuant to Section 1.3 of Attachment N of the Tariff. Interconnection Customer shall submit a separate Interconnection Request for each site and may submit multiple Interconnection Requests for a single site. Interconnection Customer must submit a deposit with each Interconnection Request even when more than one request is submitted for a single site. 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 the Scoping Meeting 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 of Interconnection to be studied no later than the execution of the Cluster Study Agreement. For purposes of clustering Interconnection Service requests, Transmission Provider may make reasonable changes to the requested Point of Interconnection to facilitate efficient interconnection of Interconnection Customers at common Points of Interconnection. Transmission Provider shall notify Interconnection Customers in writing of any intended changes to the requested Point of Interconnection 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 the 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 the Interconnection Customer. Interconnection Customers may be subject to additional control technologies as

well as testing and validation of those technologies consistent with Article 6 of the LGIA. The necessary control technologies and protection systems shall be established in Appendix C of that executed 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 of five (5) Business Days after the initial Cluster Study Report Meeting held under Section 7.4(c). Interconnection Customer may then elect to proceed with Network Resource Interconnection Service or to proceed under a lower Level of Interconnection Service 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 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 in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers. 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, 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. The Transmission Provider may also study the Transmission System under non-peak load conditions. However, upon request by the Interconnection Customer, the Transmission Provider must explain in writing to the 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.

3.3.1 Surplus Interconnection Service Requests.

Surplus Interconnection Service requests may be made by the existing Interconnection Customer whose Generating Facility is already interconnected or one of its Affiliates. 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 or Cluster Study 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.

All notifications and requests for Surplus Interconnection Service shall be submitted in accordance with the Transmission Provider's Business Practice, posted on its OASIS, and shall be processed outside of the interconnection queue. In order to deem a request for Surplus Interconnection Service valid and complete, a deposit of $25,000 must be received by the Transmission Provider. After a request for Surplus Interconnection Service has been deemed valid and complete by the Transmission Provider, the Transmission Provider will notify the Interconnection Customer and schedule the Scoping Meeting within five (5) Business Days.

3.3.2 Surplus Interconnection Service System Impact Study.

3.3.2.1 Within five (5) Business Days following the Scoping Meeting, Interconnection Customer shall specify for inclusion in the attachment to the Interconnection System Impact Study Agreement its requested Point(s) of Interconnection. Within five (5) Business Days following Transmission Provider's receipt of such Point(s) of Interconnection, Transmission Provider shall tender to Interconnection Customer the Surplus Interconnection Service System Impact Study Agreement in the form of Appendix 5 of this LGIP signed by Transmission Provider, which includes a good faith estimate of the estimated timeframe for completing the Surplus Interconnection Service System Impact Study. The Surplus Interconnection Service System Impact Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Surplus Interconnection Service System Impact Study.

3.3.2.2 Interconnection Customer shall execute the Surplus Interconnection Service System Impact Study Agreement and deliver the executed Surplus Interconnection Service System Impact Study Agreement to Transmission Provider no later than thirty (30) Calendar Days after its receipt.

3.3.2.3 As part of its Surplus Interconnection Service System Impact Study process, the Transmission Provider will evaluate the original interconnection system impact study, if any, or applicable Cluster Studies, to determine their suitability for use in the evaluation of the request for Surplus Interconnection Service. Inclusive of any Surplus Interconnection Service System Impact Study(ies) performed to evaluate the existing Interconnection Service and deemed suitable for use in the evaluation of the request 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 existing Interconnection Service was not studied under off-peak conditions or such study was not deemed suitable, off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. If an existing interconnection system impact study or Cluster Study is not available or deemed suitable 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 studies performed to evaluate a request for Surplus Interconnection Service will identify if any additional Interconnection Facilities and/or Network Upgrades are necessary. If any additional Network Upgrades are necessary, the Surplus Interconnection Request will be denied. Necessary control technologies will also be identified in the studies performed.

3.3.2.4 Transmission Provider shall use Reasonable Efforts to complete the Surplus Interconnection Service System Impact Study within ninety (90) Calendar Days after the receipt of the Surplus Interconnection Service System Impact Study Agreement or notification to proceed, study payment, and technical data.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Surplus Interconnection Service System Impact Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Surplus Interconnection Service System Impact Study. If Transmission Provider is unable to complete the Surplus Interconnection Service System Impact Study within the time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.

3.3.2.5 Within ten (10) Business Days of providing a Surplus Interconnection Service System Impact Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Surplus Interconnection Service System Impact Study, unless otherwise mutually agreed upon by the Parties.

3.3.3 Surplus Interconnection Service Agreement.

3.3.3.1 Within thirty (30) Calendar Days after delivery of the Surplus Interconnection Service System Impact Study report, Transmission Provider shall tender a draft Surplus Interconnection Service Agreement to the original Interconnection Customer and the Surplus Interconnection Service Customer. The draft Surplus Interconnection Service Agreement shall be executed and returned within thirty (30) Calendar Days.

3.3.3.2 Transmission Provider and Interconnection Customers shall negotiate concerning any disputed provisions of the appendices to the draft

Surplus Interconnection Service Agreement for not more than sixty (60) Calendar Days after tender of the draft Surplus Interconnection Service Agreement. If any Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft Surplus Interconnection Service Agreement pursuant to Section 3.3.3.1 and initiate Dispute Resolution procedures pursuant to Section 13.5 of the LGIP. Within sixty (60) Calendar Days of tender of draft Surplus Interconnection Service Agreement and unless otherwise agreed by the Parties, if Interconnection Customer has not executed the Surplus Interconnection Service Agreement or initiated Dispute Resolution procedures pursuant to Section 13.5 of the LGIP, it shall be deemed to have withdrawn its Interconnection Request. Transmission Provider shall provide to Interconnection Customers a final Surplus Interconnection Service Agreement within fifteen (15) Business Days after the completion of the negotiation process.

3.4 Valid Interconnection Request

3.4.1 Initiating an Interconnection Request

An Interconnection Customer wishing to join a Cluster shall submit its Interconnection Request to Transmission Provider within, and no later than close of the Cluster Request Window. To initiate an Interconnection Request, Interconnection Customer must submit all of the following:

(i) applicable deposit amount, pursuant to Section 3.1;

(ii) a completed application in the form of Appendix 1 (including applicable technical information);

(iii) Site Control demonstration pursuant to Section 3.4.1(iii)(a) or (b) below;

a. Demonstration of actual Site Control. For demonstration of Site Control of Large Generating Facilities: Specifications for acceptable site size for the purposes of demonstrating Site Control are posted on Transmission Provider's OASIS website. Interconnection Customer may propose alternative specifications for site size to those posted on OASIS for Transmission Provider approval. In the event Transmission Provider and Interconnection Customer cannot reach agreement related to adequacy of site size,

Transmission Provider will accept a Professional Engineer (licensed in the state of the Point of Interconnection) stamped site plan drawing that depicts the proposed generation arrangement and specifies the maximum facility output for that arrangement. Demonstration of Site Control for Small Generating Facilities shall be pursuant to Section 1.5 of Attachment N.

b. Posting of an additional deposit of $10,000 in lieu-of Site Control. Deposits paid pursuant to this Section 3.4.1(iii) shall be refunded to the Interconnection Customer upon Commercial Operation or upon withdrawal pursuant to Section 3.7, subject to applicable Withdrawal Penalties.

(iv) Generating Facility size (MW) (and requested Interconnection Service amount if the requested Interconnection Service is less than the Generating Facility Capacity);

(v) One of the following Readiness Milestone Options totaling the entire capacity of the Generating Facility (or requested Interconnection Service amount if the requested Interconnection Service is less than the Generating Facility Capacity).

a. Executed term sheet (or comparable evidence) related to a contract for sale of (i) the constructed Generating Facility to a load-serving entity or to a commercial, industrial, or other large end-use customer, (ii) the Generating Facility's energy where the term of sale is not less than five (5) years, or (iii) the Generating Facility's ancillary services if the Generating Facility is an electric storage resource where the term of sale is not less than five (5) years;

b. Executed contract binding upon the parties for sale of (i) the constructed Generating Facility to a load-serving entity or to a commercial, industrial, or other large end-use customer, (ii) the Generating Facility's energy

where the term of sale is not less than five (5) years, or (iii) the Generating Facility's ancillary services if the Generating Facility is an electric storage resource where the term of sale is not less than five (5) years;

c. Reasonable evidence that the Generating Facility has been selected in a Resource Plan or Resource Solicitation Process by or for a load-serving entity, is being developed by a load-serving entity, or is being developed for purposes of a sale to a commercial, industrial, or other large end-use customer;

d. A refundable deposit of $3,000 per MW of generating capacity proposed in the Interconnection Request; or

e. Site specific Purchase Order for generating equipment specific to the Interconnection Request, or statement signed by an officer or authorized agent of the Interconnection Customer attesting that the Generating Facility included is to be supplied with turbines with a manufacturer's blanket purchase agreement to which Interconnection Customer is a party. This blanket purchase agreement shall be provided to Transmission Provider.

(vi) A Point of Interconnection.

(vii) Whether the Interconnection Request shall be studied as a Network Resource Interconnection Service or an Energy Resource Interconnection Service, consistent with Section 3.2.

Interconnection Customer shall promptly inform Transmission Provider of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.1(iii) or its satisfaction of a Readiness Milestone Option as selected under Section 3.4.1(v) or Section 8.1, as applicable. Upon Transmission Provider determining separately that Interconnection Customer no longer satisfies Site Control or a Readiness Milestone Option, Transmission Provider shall give Interconnection Customer ten (10) Business Days to demonstrate satisfaction with the applicable requirement to Transmission Provider's satisfaction. Absent such

demonstration, Transmission Provider will deem the subject Interconnection Request withdrawn.

The expected In-Service Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility shall be no more 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 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, such agreement not to be unreasonably withheld.

3.4.2 Acknowledgment of Interconnection Request

Transmission Provider shall acknowledge receipt of the Interconnection Request within five (5) Business Days of receipt of the request and attach a copy of the received Interconnection Request to the acknowledgement.

3.4.3 Deficiencies in Interconnection Request

An Interconnection Request will not be considered to be a valid request until all items in Section 3.4.1 have been received by Transmission Provider. If an Interconnection Request fails to meet the requirements set forth in Section 3.4.1, Transmission Provider shall use Reasonable Efforts to notify Interconnection Customer as soon as practicable following 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 no later than the close of the Cluster Request Window. Notwithstanding any other provision in Transmission Provider□s Tariff, an Interconnection Request with any uncured deficiency at the time the Cluster Request Window closes will be deemed an invalid Interconnection Request. At any time, if Transmission Provider identifies issues with technical data provided by Interconnection Customer, Interconnection Customer and Transmission Provider shall work expeditiously and in good faith to remedy any data issues.

Transmission Provider shall determine if the information contained in the Interconnection Request is sufficient to start the Cluster Study by the close of the Customer Engagement Window.

3.4.4 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. If requested by an Interconnection Customer, Transmission Provider shall also hold individual customer-specific Scoping Meetings, which must be requested no later than fifteen (15) Business Days after the close of the Cluster Request Window.

The purpose of the Scoping Meeting shall be to discuss alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to discuss the Cluster Area materials posted to OASIS pursuant to Section 7.4, and to analyze such information. Transmission Provider and Interconnection Customer shall 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, (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting, (vi) for wind or solar facilities, generation profile data, and (vii) if the Large Generating Facility is or, as a hybrid, includes solar photovoltaic technology, a completed Attachment A to Appendix 7. Transmission Provider and Interconnection Customer 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. The duration of the meeting shall be sufficient to accomplish its purpose.

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 (combined cycle, base load or combustion turbine and fuel type); 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 or initiates Dispute Resolution pursuant to Section 13.5. Before holding a Scoping Meeting with any 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 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.

3.5.2 Requirement to Post Interconnection Study Metrics

Transmission Provider will maintain on its OASIS or its website summary statistics related to processing Interconnection Studies pursuant to Interconnection Requests, updated quarterly. If Transmission Provider posts this information on its website, a link to the information must be provided on Transmission Provider's OASIS site. For each calendar quarter, Transmission Providers must calculate and post the information detailed in Sections 3.5.2.1 through 3.5.2.3.

3.5.2.1 Interconnection Cluster Study Processing Time.

(A) Number of Interconnection Requests that had Cluster Studies completed within Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Cluster Studies completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than one hundred fifty (150) Calendar Days after commencement of the Cluster Study,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Cluster Studies one hundred fifty (150) Calendar Days after commencement of the Cluster Study,

(D) Mean time (in days), Cluster Studies completed within Transmission Provider's coordinated region during the reporting quarter, from the commencement of the Cluster Study to the date when Transmission Provider provided the completed Cluster Study to the Interconnection Customer,

(E) Percentage of Cluster Studies exceeding one hundred fifty (150) Calendar Days to complete this reporting quarter, calculated as the sum of 3.5.2.1(B) plus 3.5.2.1(C) divided by the sum of 3.5.2.1(A) plus 3.5.2.1(C)).

3.5.2.2 Interconnection Facilities Studies Processing Time.

(A) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than (study duration depends on Interconnection Customer's selection on Facilities Study Agreement) after receipt by Transmission Provider of the Interconnection Customer's executed Interconnection Facilities Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Service requests with ongoing incomplete Interconnection Facilities Studies where such Interconnection Requests had executed Interconnection Facilities Studies Agreement received by Transmission Provider more than (study duration depends on

Interconnection Customer's selection on Facilities Study Agreement) before the reporting quarter end,

(D) Mean time (in days), for Interconnection Facilities Studies completed within Transmission Provider's coordinated region during the reporting quarter, calculated from the date when Transmission Provider received the executed Interconnection Facilities Study Agreement to the date when Transmission Provider provided the completed Interconnection Facilities Study to the Interconnection Customer,

(E) Percentage of delayed Interconnection Facilities Studies this reporting quarter, calculated as the sum of 3.5.2.2(B) plus 3.5.2.2(C) divided by the sum of 3.5.2.2(A) plus 3.5.2.2(C)).

3.5.2.3 Interconnection Service Requests Withdrawn from Interconnection Queue.

(A) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter,

(B) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of any interconnection studies or execution of any interconnection study agreements,

(C) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of a Cluster Study,

(D) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of an Interconnection Facilities Study,

(E) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue after execution of a generator interconnection agreement,

(F) Mean time (in days), for all withdrawn Interconnection Requests, from the date when the request was determined to be valid to when Transmission Provider received the request to withdraw from the queue.

3.5.3 Transmission Provider is required to post on OASIS or its website the measures in paragraph 3.5.2.1(A) through paragraph 3.5.2.3(F) for each calendar quarter within 30 days of the end of the calendar quarter. Transmission Provider will keep the quarterly measures posted on OASIS or its website for three calendar years with the first required report to be in the first quarter of [___]. If Transmission Provider retains this information on its website, a link to the information must be provided on Transmission Provider's OASIS site.

3.5.4 In the event that any of the values calculated in paragraphs 3.5.2.1(E) or 3.5.2.2(E) exceeds 25 percent for two consecutive calendar quarters, Transmission Provider will have to comply with the measures below for the next four consecutive calendar quarters and must continue reporting this information until Transmission Provider reports four consecutive calendar quarters without the values calculated in 3.5.2.1(E) or 3.5.2.2(E) exceeding 25 percent for two consecutive calendar quarters:

(i) Transmission Provider must submit a report to the Board of Water and Power Commissioners describing the reason for each study or group of clustered studies pursuant to an Interconnection Request that exceeded its deadline (i.e., 150, 90 or 180 days) for completion (excluding any allowance for Reasonable Efforts). Transmission Provider must describe the reasons for each study delay and any steps taken to remedy these specific issues and, if applicable, prevent such delays in the future. The report must be filed with~~at~~ the Board of Water and Power Commissioners within 45 days of the end of the calendar quarter.

(ii) Transmission Provider shall aggregate the total number of employee-hours and third party consultant hours expended towards interconnection studies within its coordinated region that quarter and post on OASIS or its website. If Transmission Provider posts

this information on its website, a link to the information must be provided on Transmission Provider's OASIS site. This information is to be posted within 30 days of the end of the calendar quarter.

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 and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in this LGIP. Transmission Provider will include such Affected System Operators in all meetings held with Interconnection Customer as required by this LGIP. Interconnection Customer will cooperate with Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A transmission provider which may be an Affected System shall cooperate with Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems. It is the responsibility of the Affected System Owner to 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 (i) complete any interconnection studies and (ii) construct any necessary Interconnection Facilities and Network Upgrades needed to reliably interconnect at the requested service level.

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 action 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, including any placement in a particular Cluster. 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.

In the case of a withdrawal, Transmission Provider shall:

(i) update OASIS as appropriate, including any Queue Position changes;

(ii) impose the applicable Withdrawal Penalty described in Section 3.7.1, if any; and

(iii) issue any refund to Interconnection Customer pursuant to Section 13.3.2.

In the event of such withdrawal, Transmission Provider, subject to the confidentiality provisions of Section 13.1, 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. Except as provided in Attachment M-1 of Transmission Provider's Tariff, an Interconnection Customer shall be subject to a penalty ("Withdrawal Penalty") if it withdraws its Interconnection Request or the Generating Facility does not otherwise reach Commercial Operation unless (1) the withdrawal does not negatively affect the timing or cost of other projects within the same Cluster as determined by Transmission Provider; (2) the Interconnection Customer withdraws after receiving the most recent Cluster Study Report and the costs assigned to the Interconnection Request identified in that report have increased by more than twenty-five percent (25%) compared to costs identified in the previous Cluster Study Report; (3) the Interconnection Customer withdraws after receiving the individual Facilities Study report and the costs assigned to the Interconnection Request identified in that report have increased by more than 100 percent compared to costs identified in the most recent Cluster Study Report. For the avoidance of doubt, Small Generating Facilities participating in the Cluster Study process pursuant to Section 7 shall not be subject to Withdrawal Penalties.

3.7.1.1 Calculation of the Withdrawal Penalty. If the withdrawing Interconnection Customer has demonstrated any of the Readiness Milestone Options in Sections 3.4.1(v)(a) – (c) or 3.4.1(v)(e), and is withdrawing prior to executing an LGIA, the Interconnection Customer shall be charged one (1) times its actual allocated cost of all studies performed up until that point.

If the withdrawing Interconnection Customer only demonstrated the Readiness Milestone Option in Section 3.4.1(v)(d) and is withdrawing prior to executing an LGIA, that Interconnection Customer's Withdrawal Penalty shall be as follows:

(a) If Interconnection Customer withdraws either (i) following commencement of the Cluster Study and before receipt of a Cluster Study Report, or (ii) after receipt of a Cluster Study Report, the Interconnection Customer shall be charged two (2) times of its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point, regardless of any previous Withdrawal Penalty revenues received. This amount shall be capped at one (1) million dollars.

(b) If Interconnection Customer withdraws after receipt of any applicable restudy reports issued pursuant to Section 7.4, the Interconnection Customer shall be charged three (3) times of its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point, regardless of any previous Withdrawal Penalty revenues received. This amount shall be capped at one and one half (1.5) million dollars.

(c) If Interconnection Customer withdraws after receipt of the individual Facility Study report issued pursuant to Section 8, the Interconnection Customer shall be charged five (5) times of its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point, regardless of any previous Withdrawal Penalty revenues received. This amount shall be capped at two (2) million dollars.

The Withdrawal Penalty for any Interconnection Customer that, before achieving Commercial Operation, withdraws after executing an LGIA shall be nine (9) times of its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point, regardless of any previous Withdrawal Penalty revenues received. In the event that the Interconnection Customer suspends its interconnection agreement, the Interconnection Customer shall be obligated to pay for costs associated with any studies or restudies required as a result of the suspension of the interconnection agreement, including any restudies associated with any affected lower-queued customers.

3.7.1.2 Distribution of the Withdrawal Penalty.
Any Withdrawal Penalty revenues shall be used to fund generation interconnection studies, including individual Interconnection Facility Studies. Withdrawal Penalty revenues shall first be applied, in the form of a bill credit, to not-yet-invoiced study costs for other Interconnection Customers in the same Cluster, and to the extent that such studies are fully credited, shall be applied to study costs of future Clusters in queue order. Withdrawn Interconnection Customers shall not receive a bill credit associated with Withdrawal Penalty revenues. Distribution of Withdrawal Penalty revenues to a specific study shall not exceed the total actual study costs. Allocation of Withdrawal Penalty revenues within a Cluster to a specific Interconnection Customer shall be (1) fifty percent (50%) on a per capita basis based on number of Interconnection Requests in the applicable Cluster; and (2) fifty percent (50%) to Interconnection Customers on a pro-rata basis based on requested megawatts included in the applicable Cluster. Distribution of Withdrawal Penalty revenue associated with Section 3.7.1.1(c) shall not be distributed to the remaining Interconnection Customers in that Cluster until all Interconnection Customers in that Cluster have reached Commercial Operation and thereafter shall be distributed as described above. Transmission Provider shall not change the distribution of Withdrawal Penalty revenue without authorization by the Board of Water and Power Commissioners. Transmission Provider shall post the Withdrawal Penalty balance on its OASIS site.

3.8 Identification of Contingent Facilities.

Transmission Provider shall post in this section a method for identifying the Contingent Facilities to be provided to Interconnection Customer at the conclusion of the Cluster Study and included in Interconnection Customer's Large Generator Interconnection Agreement. The method shall be sufficiently transparent to determine why a specific Contingent Facility was identified and how it relates to the Interconnection Request. Transmission Provider shall also provide, upon request of the Interconnection Customer, the estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time of each identified Contingent Facility when this information is readily available and not commercially sensitive.

As part of the Cluster Study, the Transmission Provider shall identify, Contingent Facilities using the following methods:

(1) Review all additions, modifications, and upgrades to the Transmission Provider's Transmission System that are part of the Transmission Provider's transmission expansion plan, and facilities identified as Network Upgrades through the Interconnection System Impact Studies for higher queued Interconnection Requests that are not yet in service. Contingent Facilities shall be identified from this list of facilities that meet the following criteria:

a. Power Transfer Distribution Factor or Outage Transfer Distribution Factor ≥5% OR;
b. MVA impact (Power Transfer Distribution Factor or Outage Transfer Distribution Factor multiplied by generator output of the Interconnection Request) ≥5MVA, OR;
c. MVA impact (Power Transfer Distribution Factor or Outage Transfer Distribution Factor multiplied by generator output of the Interconnection Request) ≥1% of the facility rating.

(2) Coordination with applicable Affected System parties to determine what Contingent Facilities have been identified through Affected System studies based on their respective criteria.

The Contingent Facilities identified for a given Interconnection Request are the total of all facilities through each of the foregoing methods. The Interconnection Customer will be provided a list of all Contingent Facilities identified at the conclusion of the Cluster Study. This list of Contingent Facilities will also be included in the Interconnection Customer's LGIA. The Transmission Provider shall also provide, upon request of the Interconnection Customer, the estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time of each identified Contingent Facility when this information is readily available and not commercially sensitive.

3.9 Informational Interconnection Study Requests.

Interconnection Customers evaluating different options (such as different sizes, sites, or voltages) are encouraged but not required to use the Informational Interconnection Study Process in Section 6 before entering the Cluster Study process.

Section 4. Queue Position

4.1 General

Once an Interconnection Customer has submitted a valid Interconnection Request pursuant to Section 3.4, such Interconnection Request shall be admitted into Transmission Provider's queue for further processing pursuant to the following procedures contained in this Section 4.

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. There is no queue for Informational Interconnection Studies.

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 but Clusters initiated earlier in time shall be considered to have a higher Queue Position than Clusters initiated later. The Queue Position of an Interconnection Request shall have no bearing on the allocation of the cost of the common upgrades identified in the applicable Cluster Study (such costs will be allocated among Interconnection Requests in accordance with Section 4.2.3). Moving a Point of Interconnection shall result in a loss of Queue Position if it is deemed a Material Modification under Section 4.4.3.

4.2 General Study Process

Cluster Studies performed within the Interconnection 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.

4.2.1 Cluster Request Windows.

Transmission Provider shall accept Interconnection Requests during a forty-five (45) Calendar Day period, hereinafter referred to as the "Cluster Request Window." The initial Cluster Request Window shall open for Interconnection Requests beginning April 1 following commencement of the transition process set out in Attachment M-1 to this Tariff and successive Cluster Request Windows shall open annually every April 1 thereafter.

4.2.2 Pre-Study Cost and Study Cost Allocation.

Transmission Provider shall determine each Interconnection Customer's share of the costs of a Cluster Study by allocating: (1) fifty percent (50%) of the applicable study costs to Interconnection Customers on a per capita basis based on 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 requested megawatts included in the applicable Cluster. For example, the cost of a Cluster Study consisting of a 100 MW request and a 900 MW request would be allocated 30% to the 100 MW request and 70% to the 900 MW request. Costs incurred by Transmission Provider in preparation for the Cluster Study but before commencement of Cluster Study shall be similarly calculated and allocated.

Any refunds of deposits paid in excess of Interconnection Customer costs allocated pursuant to this Section 4.2.2 shall be issued in accordance with Section 13.3.

4.2.3 Transmission Provider's Interconnection Facilities and Network Upgrade Cost Allocation.

Notwithstanding Section 3.1, for Transmission Provider's Interconnection Facilities and Network Upgrades identified in Cluster Studies, Transmission Provider shall calculate each Interconnection Customer's share of costs in the manner set forth below. If a Cluster Study includes one or more Cluster Areas, such costs shall be calculated and allocated among Interconnection Customers within the same Cluster Area. If the same Network Upgrade is identified in the study of more than one Cluster Area, such Network Upgrade will be allocated to Interconnection Customers in all affected Cluster Areas in the proportional

manner provided in Section 4.2.3(b). Interconnection Customer shall be responsible for funding the costs of any facilities identified by Transmission Provider in such Interconnection Customer's individual Facilities Study report.

a) Station equipment Network Upgrades, including all switching stations, shall be allocated based on the number of Generating Facilities interconnecting at an individual station on a per capita basis (i.e. on a per Interconnection Request basis). If multiple Interconnection Customers are connecting to the Transmission Provider's System through a single Interconnection Customer's Interconnection Facility (i.e. sharing the Interconnection Customer's Interconnection Facility connecting to the Transmission Provider's Interconnection Facility(ies)), those Interconnection Customers shall be considered one Interconnection Customer for the per capita calculation described in the preceding sentence. Shared Transmission Provider's Interconnection Facilities shall be allocated based on the number of Generating Facilities sharing that Transmission Provider's Interconnection Facility on a per capita basis.

b) The funding responsibility for Network Upgrades other than those identified in Section 4.2.3(a) shall be as follows: Interconnection Customers within a Cluster Study that have requested Energy Resource Interconnection Service shall bear their allocable share of the cost of Network Upgrades necessary to provide such service. Interconnection Customers within a Cluster Study that have requested Network Resource Interconnection Service shall bear their allocable share of the cost of Network Upgrades necessary to provide such service. Such allocation shall be based on the proportional capacity of each individual Generating Facility in the Cluster Studies requiring such Network Upgrades in accordance with the iterative process provided in Section 7.3.

c) Costs of Transmission Provider's Interconnection Facilities are directly assigned to the Interconnection Customer(s) using such facilities.

d) Notwithstanding any other provision of this Section 4.2.3, no Interconnection Customer shall be responsible for any Network Upgrade costs identified pursuant to this Section if such Interconnection Customer's Interconnection Request individually represents one (1) percent or less of the total requested megawatts included in the applicable Cluster.

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.

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, 4.4.5, or 4.4.6, or are determined not to be Material Modifications pursuant to Section 4.4.3.

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. Subject to the forgoing sentence, and provided, however, they do not result in a Material Modification, to the extent the identified changes are acceptable to Transmission Provider and Interconnection Customer and potentially impacted Interconnection Customers in the same Cluster, such acceptance not to be unreasonably withheld, Transmission Provider shall modify the Point of Interconnection and/or configuration in accordance with such changes and proceed with any re-studies necessary to do so in accordance with Section 7.5(f) as applicable 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 60 percent 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) 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 Study Window for the purposes of cost allocation and study analysis.

4.4.2 Prior to the return of the executed Interconnection Facility Study Agreement to Transmission Provider, the modifications permitted under this Section shall include specifically: (a) additional 15 percent 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; and (c) a Permissible Technological Advancement for the Large Generating Facility after the submission of the Interconnection Request. Section 4.4.6 specifies a separate technological change procedure including the requisite information and process that will be followed to assess whether the Interconnection Customer's proposed technological advancement under Section 4.4.2(c) is a Material Modification. Section 1 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 4.4.6, Interconnection Customer may first request that Transmission Provider evaluate whether such modification is a Material Modification. 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. Any change to the Point of Interconnection, except those deemed acceptable under Sections 3.1, 4.4.1, 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.

4.4.4 Upon receipt of Interconnection Customer's request for modification permitted under this Section 4.4, Transmission Provider shall commence and perform any necessary additional studies as soon as practicable, but in no event shall Transmission Provider commence such studies later than 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.

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. For purposes of this Section, the Commercial Operation Date reflected in the initial Interconnection Request shall be used. Such cumulative extensions are inclusive of extensions requested after execution of the LGIA by Interconnection Customer.

4.4.6 Technological Change Procedures

Prior to the return of the executed Facilities Study Agreement to the Transmission Provider, the Interconnection Customer may submit a technological advancement request to the Transmission Provider. Permissible Technological Advancements may include advancements to turbines, inverters, plant supervisory controls, or other technological advancements that may enhance a generating facility's ability to provide ancillary services, but do not include changes in generation technological or fuel type (include the energy source behind an inverter). Any changes to electrical output (MW) must adhere to LGIP Sections 4.4.1 and 4.4.2.

In order to have a completed technological advancement request, the Interconnection Customer shall submit:

(1) A written technological advancement request, specifying the change in technological the Interconnection Customer seeks;

(2) Analysis that demonstrates how the incorporation of the proposed technological advancement would (i) result in electrical performance that is equal to or better than the electrical performance expected prior to the technological change, and (ii) not cause any reliability concerns;

(3) A revised Appendix 1 to LGIP Interconnection Request for a Large Generating Facility with revised technical data, including modeling data, associated with the technological advancement being requested, and any other data deemed necessary by the Transmission Provider to determine if the technological advancement request is a Material Modification; and

(4) Any required deposit.

If the difference between the Initial Deposit submitted as per Section 3.4.1, less any part of that Deposit deemed nonrefundable as per Section 3.4.1, is $10,000 or greater, the Interconnection Customer will not be required to tender a deposit for additional studies to evaluate the technological advancement request. If the difference between the Initial Deposit submitted as per Section 3.4.1, less any part of that Deposit deemed nonrefundable as per Section 3.4.1, is less than $10,000, the Interconnection Customer shall tender a deposit to the amount of $10,000 to the Transmission Provider to evaluate the technological advancement request. The Obligation of Study Costs shall be in accordance with LGIP Section 13.3.

Upon receipt by the Transmission Provider of a completed technological advancement request from the Interconnection Customer, the Transmission Provider will evaluate the technological advancement request to determine whether the technological advancement request is a Permissible Technological Advancement or if it necessitates the performance of additional analyses and/or studies. If the technological advancement request has no effect on electrical parameters or

performance, the technological advancement request will not be considered a Material Modification and will be deemed a Permissible Technological Advancement.

If the Transmission Provider determines that additional analyses and/or studies are required, Transmission Provider's studies may include steady-state, reactive power, short circuit, stability analysis and any other appropriate studies that the Transmission Provider deems necessary based on the Transmission Provider's engineering judgment. These additional studies and/or analyses will determine whether the technological advancements result in electrical performance that is equal to or better than the electrical performance expected prior to the technological advancement request and be deemed a Permissible Technological Advancement, or if the technological advancement is deemed a Material Modification.

If the Transmission Provider determines that the technological advancement request results in a Material Modification, the Interconnection Customer will be so notified and an explanation will be provided. The Transmission Provider shall determine whether or not a technological advancement request is a Material Modification within thirty (30) Calendar Days after the receipt of the initial completed technological advancement request, unless otherwise agreed upon by the Transmission Provider and the Interconnection Customer.

If the technological advancement request is deemed a Material Modification, the Interconnection Customer may either proceed with the previously provided data, or submit a new application, which will receive a new queue position.

Section 5. New Transmission Provider

5.1 Reserved.

5.2 New Transmission Provider

If Transmission Provider transfers control of its Transmission System to a successor Transmission Provider during the period when an Interconnection Request is pending, the original Transmission Provider shall transfer to the successor Transmission Provider any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for

interconnection. Any difference between such net amount and the deposit or payment required by this LGIP shall be paid by or refunded to the Interconnection Customer, as appropriate. The original Transmission Provider shall coordinate with the successor Transmission Provider to complete any Interconnection Study, as appropriate, that the original Transmission Provider has begun but has not completed. If Transmission Provider has tendered a draft LGIA to Interconnection Customer but Interconnection Customer has not either executed the LGIA nor initiated Dispute Resolution pursuant to Section 13.5, Interconnection Customer must complete negotiations with the successor Transmission Provider.

Section 6. Informational Interconnection Study

6.1 Informational Interconnection Study Request

Interconnection Customers may not submit requests for Informational Interconnection Studies until after the Transition Readiness Deadline, as defined in Attachment M-1. Thereafter, at any time prior to submission of an Interconnection Request, an Interconnection Customer may request, and Transmission Provider (either itself or through a consultant) shall perform a reasonable number of Informational Interconnection Studies pursuant to the terms of Section 6.

Interconnection Customer shall submit to Transmission Provider an Informational Interconnection Study Request in the form of Appendix 2 to this LGIP and shall describe the assumptions that Interconnection Customer wishes Transmission Provider to study within the scope described in Section 6.3, including a proposed Point(s) of Interconnection and any reasonable alternative Point(s) of Interconnection.

At the time the Informational Interconnection Study Request is submitted, Interconnection Customer must request either Energy Resource Interconnection Service or Network Resource Interconnection Service, as described in Section 3.4.1; provided, however, any Interconnection Customer requesting an Informational Interconnection Study for Network Resource Interconnection Service may also request that it be concurrently studied for Energy Resource Interconnection Service.

Interconnection Customer must submit a deposit with each Informational Interconnection Request even when more than one request is submitted for a single site. An Informational Interconnection Request to evaluate one site at two

different voltage levels shall be treated as two Informational Interconnection Requests.

At the request of either the Interconnection Customer or Transmission Provider, Transmission Provider and Interconnection Customer will schedule a scoping meeting at a mutually agreed-upon time.

6.2 Informational Interconnection Study Agreement

Within five (5) Business Days after receipt of a request for an Informational Interconnection Study, Transmission Provider shall provide to Interconnection Customer an Informational Interconnection Study Agreement in the form of Appendix 2A.

The Informational Interconnection Study Agreement shall: (i) include the scope of work for the Informational Interconnection Study, subject to other requirements in Section 6.3, (ii) specify the technical data that Interconnection Customer must provide, (iii) specify the Informational Interconnection Study case and assumptions, and (iv) identify the Transmission Provider's estimate of the cost of the Informational Interconnection Study. Notwithstanding the above, Transmission Provider shall not be required as a result of an Informational Interconnection Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request.

Interconnection Customer shall execute the Informational Interconnection Study Agreement within ten (10) Business Days of receipt of an agreed upon scope of work and deliver the Informational Interconnection Study Agreement, the technical data, and a $10,000 study deposit to Transmission Provider. Interconnection Customer shall be responsible for actual study costs.

6.3 Scope of Informational Interconnection Study

The intent of the Informational Interconnection Study is to aid Interconnection Customer in its business decisions related to interconnection of generation facilities prior to submitting an Interconnection Request. The Informational Interconnection Study will consider the Base Case as well as all generating facilities (and with respect to (iii), any identified Network Upgrades) that, on the date the Informational Interconnection 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. The Informational Interconnection Study will consist of a power flow and short circuit analysis.

To the extent possible, the Informational Interconnection Study shall identify the potential Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide Interconnection Service based upon the results and assumptions of the Informational Interconnection Study.

The Informational Interconnection Study shall be performed solely for informational purposes and does not bind the Transmission Provider in any way or entitle the requesting Interconnection Customer to a Queue Position. Interconnection Customer requesting an Informational Interconnection Study shall not be assigned any cost responsibility for Network Upgrades. For the avoidance of doubt, neither the request for nor the performance of an Informational Interconnection Study shall be considered an Interconnection Request.

6.4 Informational Interconnection Study Procedures

The executed Informational Interconnection Study Agreement, the deposit, 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 Informational Interconnection Study Agreement. Transmission Provider shall use Reasonable Efforts to complete the Informational Interconnection Study within a mutually agreed upon time period specified within the Informational Interconnection Study Agreement. This time period shall take into account all previous requests for Informational Studies that have been submitted but not yet completed. If Transmission Provider is unable to complete the Informational 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 work papers and databases or data developed in the preparation of the Informational Interconnection Study, subject to confidentiality arrangements consistent with Section 13.1.

Section 7. Cluster Study

7.1 Cluster Study Agreement

No later than five (5) 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 3 to this LGIP. The Cluster Study Agreement shall require the Interconnection Customer to compensate Transmission Provider for the actual cost of the Cluster Study. The specifications, assumptions, or other provisions in the appendices of the Cluster Study Agreement provided pursuant to this Section 7.1 shall be subject to change by Transmission Provider following conclusion of the Scoping Meeting.

7.2 Customer Engagement Window

Upon the close of each Cluster Request Window, Transmission Provider will open a thirty (30) 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 sentence and upon written consent of all Interconnection Customers within a specific Cluster, Transmission Provider may shorten the Customer Engagement Window in order to start the Cluster Study earlier. Within the first ten (10) Business Days following the close of the Cluster Request Window, Transmission Provider shall post on its OASIS site a list of Interconnection Requests for that Cluster. The list shall identify, for each Interconnection Request: (i) the requested amount of Interconnection Service; (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 type of Interconnection Service requested; (vi) the type of Generating Facility to be constructed including fuel type such as wind, natural gas, coal, or solar; and (vii) the Cluster Area assigned to each Interconnection Request. During the Customer Engagement Window, Transmission Provider will provide to Interconnection Customer a non-binding updated good faith estimate of the cost and timeframe for completing the Cluster Study.

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 3 shall be included in that Cluster Study. Any Interconnection Requests not deemed valid or undergoing Dispute Resolution at the close of the Customer Engagement Window shall not be included in that Cluster. Immediately following

the Customer Engagement Window, Transmission Provider shall initiate the Cluster Study described in more detail in Section 7.

7.3 Execution of Cluster Study Agreement and Scope of Cluster Study

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.

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 Request Window closes:

(i) are existing and directly interconnected to the Transmission System;

(ii) are existing and interconnected to Affected Systems and may have an impact on the Interconnection Request;

(iii) have a pending higher queued or higher clustered 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 consider the level of Interconnection Service requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns.

The Cluster Study shall consist of power flow, stability, and short circuit analyses, the results of which are documented in a single Cluster Study Report, or Cluster Re-Study Report, as applicable.

For purposes of identifying Network Upgrades and other facilities caused by requests for Network Resource Interconnection Service, Transmission Provider will run two iterations of the Cluster Study. The first iteration of the Cluster Study shall assume all requests in the applicable Cluster Study have requested Energy Resource Interconnection Service, to establish a baseline of shared Network Upgrades. In the second iteration, the Transmission Provider shall update the study with any requests for Network Resource Interconnection Service,

as applicable, to identify the incremental Network Upgrades caused by the requests for Network Resource Interconnection Service. In conducting the first iteration of the Cluster Study and determining the necessary Interconnection Facilities and Network Upgrades, Transmission Provider may model operating resources in the Transmission System at less than full output to the extent consistent with maintaining system reliability, Good Utility Practice, and expected operation of the resources in the Transmission System based on historical operating patterns and/or capacity factors. All such modeling assumptions shall be described in the Cluster Study Report.

At the conclusion of the Cluster Study, Transmission Provider will 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 Transmission Provider's 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 estimates for required upgrades. The Cluster Study Report shall identify each Interconnection Customer's estimated allocated costs for Transmission Provider's Interconnection Facilities and Transmission Provider's Network Upgrades pursuant to the methodology in Section 4.2.3. Transmission Provider shall hold an open stakeholder meeting pursuant to Section 7.4 below.

The Cluster Study report will provide a list of facilities that are required as a result of the Interconnection Requests and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

Upon issuance of a Cluster Study Report, or Cluster Re-Study Report, if any, Transmission Provider shall simultaneously tender a draft Facility Study Agreement, subject to the conditions in Section 8.1.

7.4 Cluster Study Procedures

Transmission Provider shall coordinate the Cluster Study with any Affected System that is affected by the Interconnection Request pursuant to Section 3.6 above. 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 4.2.1.

a. Transmission Provider may segment and perform Cluster Studies according to geographically and/or electrically relevant areas on the Transmission Provider's Transmission System ("Cluster Area"). Cluster Areas shall be determined by the Transmission Provider at the end of each Customer Engagement Window and shall be based on the valid Interconnection Requests that are submitted during the Cluster Request Window. Before the Scoping Meeting, the Transmission Provider shall initially determine each Cluster Area and shall post on its OASIS website, for discussion during the Scoping Meeting, a draft plan for the Cluster Study, including a map and table defining the Cluster Areas assigned to each valid Interconnection Request received during the Cluster Request Window. Transmission Provider shall post an updated Cluster Area map, table, and final Cluster Study plan on OASIS by no later than the end of the Customer Engagement Window. The Cluster Study shall consist of all valid Interconnection Requests in each respective Cluster Area that have executed a Cluster Study Agreement and have provided all required information before the close of the Customer Engagement Window.

b. Unless restudies are required pursuant to Section 7.5, Transmission Provider shall use Reasonable Efforts to complete the Cluster Study and issue the Cluster Study Report within one hundred fifty (150) Calendar Days of the close of the Customer Engagement Window. If the Cluster Study Report is due on a non-Business Day, Transmission Provider shall issue the report on the first Business Day after the date the Cluster Study Report would otherwise be due.

c. Within ten (10) Business Days of simultaneously furnishing a Cluster Study Report (or, as applicable, Cluster Re-Study Report) and a draft Interconnection Facilities Study Agreement to Interconnection Customers and posting such report on OASIS, Transmission Provider shall convene an open meeting to discuss the study results ("Cluster Study Report Meeting" or "Cluster Re Study Report Meeting"). Transmission Provider shall, upon request, also make itself available to meet with individual Interconnection Customers after the report is provided.

7.5 Cluster Study Withdrawals and Re-Studies

a. If no Interconnection Customer withdraws from the Cluster after completion of the Cluster Study or Cluster Re-Study or is deemed withdrawn pursuant to Section 3.7, Transmission Provider shall electronically notify Interconnection Customers in the Cluster that a Cluster Re-Study is not required.

b. If one or more Interconnection Customer withdraw(s) from the Cluster, Transmission Provider shall determine if a Cluster Re-Study of the Cluster is necessary. If Transmission Provider determines a Cluster Re-Study is not necessary, Transmission Provider shall provide an updated Cluster Study Report within thirty (30) Calendar Days of such determination. When the updated Cluster Study Report is issued, Transmission Provider shall electronically notify Interconnection Customers in the Cluster that a Cluster Re-Study is not required.

c. If one or more Interconnection Customers withdraws from the Cluster and Transmission Provider determines a restudy of the Cluster is necessary as a result, Transmission Provider will continue with such re-studies as described in Section 7.5.d below, until Transmission Provider determines that no further re-studies are required. If an Interconnection Customer withdraws after Section 7.5.a, Section 7.5.c, during the Interconnection Facilities Study, or after other Interconnection Customers in the same Cluster have executed LGIAs, and Transmission Provider determines a restudy of the Cluster is necessary, the Cluster (including any Cluster Area) shall be restudied as described in Section 7.5.d below. Transmission Provider shall electronically notify Interconnection Customers in the Cluster and post on OASIS that a re-study is required.

d. The scope of any Cluster Re-study shall be consistent with the scope of an initial Cluster Study pursuant to Section 7.3. Transmission Provider shall use Reasonable Efforts to complete the Cluster Re-Study for all Cluster Areas within one hundred fifty (150) Calendar Days of the commencement of the first Cluster Area Re-Study. The results of the Cluster Re-Study shall be combined into a single report ("Cluster Re-Study Report"), and Transmission Provider shall hold an open stakeholder meeting ("Cluster Re-Study Report Meeting") within ten (10) Business Days of publishing Cluster Re-Study Report on OASIS.

If additional re-studies are required, Interconnection Customer and Transmission Provider shall follow the procedures of this Section 7.5 until such time that Transmission Provider determines that no further re-studies are required. Transmission Provider shall electronically notify Interconnection Customers in the Cluster when no further re-studies are required.

e. At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required timeframe 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 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 Customer 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.

f. If Re-Study of the Cluster Study other than the Re-Study described in Section 7.5(a)-(d) is required due to a higher or equal priority queued project dropping out of the queue, or a modification of a higher queued project subject to Section 4.4, Transmission Provider shall notify Interconnection Customer(s) in writing. The Transmission Provider shall make Reasonable Efforts to ensure such Re-Study takes no longer than one hundred fifty (150) Calendar Days from the date of notice. Except as provided in Section 3.7 in the case of withdrawing Interconnection Customers, any cost of Re-Study shall be borne by Interconnection Customer(s) being re-studied.

Section 8. Interconnection Facilities Study

8.1 Interconnection Facilities Study Agreement

Simultaneously with the delivery of the final Cluster Study Report, or Cluster Re-Study Report if applicable, Transmission Provider shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 4 to this LGIP. The Interconnection Facilities Study

Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection Facilities Study. Transmission Provider shall provide to Interconnection Customer includes 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: (i) any required technical data; (b) a demonstration of Site Control pursuant to Section 3.4.1(iii); and (c) demonstration of a Readiness Milestone Option in Sections 3.4.1(v)(b) – (c), a site-specific Purchase Order for generating equipment specific to the Interconnection Request, or a Financial Security payment equal to the Network Upgrade costs allocated to Interconnection Customer in the most recent Cluster Study Report minus any amounts already paid pursuant to Section 3.4.1(v)(d). Such additional Financial Security shall be refunded in accordance with Section 13.3.3.

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 re-studies) in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facility 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 Facilities Study will also identify any potential control equipment for requests for Interconnection Service that are lower than the Generating Facility Capacity.

8.3 Interconnection Facilities Study Procedures

Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System pursuant to Section 3.6 above. Transmission Provider shall utilize existing studies to the extent practicable in performing the Interconnection

Facilities Study. Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after receipt of an executed Interconnection Facilities Study Agreement: ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report or, one hundred eighty (180) Calendar Days, if Interconnection Customer requests a +/- 10 percent cost estimate. If the Facilities Study Report is due on a non-Business Day, Transmission Provider shall issue the report on the first Business Day following the day the Facilities Study Report would otherwise be due.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required 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 time required, 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 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-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 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.

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 Re-Study

If re-study of the Interconnection Facilities Study, or Facilities Study for a Small Generating Facility performed under Section 3.6 of Attachment N is required due to a higher or equal priority queued project dropping out of the queue or a modification of a higher queued project pursuant to Section 4.4, Transmission Provider shall so notify Interconnection Customer in writing. Transmission Provider shall make Reasonable Efforts to ensure such re-study shall take no longer than sixty (60) Calendar Days from the date of notice. Re-Studies that require rerunning the Cluster Study analysis may take longer than sixty (60) Calendar Days. Except as provided in Section 3.7 in the case of withdrawing Interconnection Customers, any cost of re-study shall be borne by the Interconnection Customer being re-studied.

Section 9. 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 the 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 the 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 from the Cluster 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.

Section 10. Reserved

Section 11. 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 thirty (30) Calendar Days after the comments are submitted or after the 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 of LGIA, which is in Appendix 6. Interconnection Customer shall execute and return the completed draft appendices within thirty (30) Calendar Days, unless the sixty (60) Calendar Day negotiation period under Section 11.2 has commenced.

11.2 Negotiation

Notwithstanding Section 11.1, 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 and initiate Dispute Resolution pursuant to Section 13.5. If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to initiate 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 initiated Dispute Resolution pursuant to Section 13.5 within sixty (60) Calendar Days of

the 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 fifteen (15) Business Days after the completion of the negotiation process.

11.3 Execution

Within fifteen (15) Business Days after receipt of the final LGIA, Interconnection Customer shall provide Transmission Provider with (A) demonstration that continued Site Control pursuant to Section 3.4.1(iii)(a) and (B) continued proof of meeting a Readiness Milestone Option in Section 3.4.1(v)(b), Section 3.4.1(v)(c), or a site-specific Purchase Order for generating equipment specific to the Interconnection Request, unless Interconnection Customer paid a deposit as provided in Section 3.4.1(v)(d) and associated Network Upgrade costs pursuant to Section 8.1(c). 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's election, has been achieved: (i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility; (ii) 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.

Interconnection Customer shall either: (i) execute two originals of the tendered LGIA and return both signed originals to Transmission Provider; or (ii) initiate Dispute Resolution pursuant to Section 13.5.

11.4 Commencement of Interconnection Activities

If Interconnection Customer executes the final LGIA, Transmission Provider and Interconnection Customer shall perform their respective obligations in accordance with the terms of the LGIA.

Section 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. Construction sequencing may also apply to shared Transmission Provider's Interconnection Facilities in a similar manner as described below for 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.

Consequently, the entity with a contractual obligation to construct such Network Upgrades shall be obligated to pay the remaining portion of the costs of the Network Upgrades that had not been expedited. 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.

12.2.3 Advancing Construction of Network Upgrades that are Part of an Expansion Plan of the 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, 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.

12.2.4 Amended Interconnection System Impact Study

If applicable, an interconnection system impact study will be amended to determine the facilities necessary to support the requested In-Service Date. This amended study will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested In-Service Date.

Section 13. Miscellaneous

13.1 Confidentiality

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of 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 Article 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.

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, 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 a potential purchaser or assignee 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, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of 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 not be deemed an exclusive remedy for the Breach of this Section 13.1, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 13.1.

13.1.8 Disclosure to FERC, its Staff, or a State.

Notwithstanding anything in this Section 13.1 to the contrary, and pursuant to 18 CFR Section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the LGIP, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR Section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR Section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.

13.1.9 Subject to the exception in Section 13.1.8, 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 including disclosing the Confidential Information to an RTO or ISO or to a sub-regional, 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.

13.1.10 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).

13.1.11 Destruction of Confidential Information
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.

13.1.12 CPRA, Brown Act
In addition to the foregoing provisions under this Section 13.1, Interconnection Customer acknowledges that Transmission Provider is subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§6250 et seq. ("CPRA") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 *et. Seq*. ("Brown Act"). Requests for information made directly to Transmission Provider pursuant to CPRA will be managed in a similar manner identified within Section 13.1.9. For purposes of the Brown Act, the Parties shall adhere to the provisions of Section 13.1 to maintain confidentiality.

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 and Withdrawal Penalties; Refunds

13.3.1 Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies (or actual allocated costs, in the case of Cluster Studies pursuant to Section 4.2.2) and any Withdrawal Penalty, as applicable. Any difference between the study deposit and the actual cost of the applicable Interconnection Study shall be paid by or refunded, except as otherwise provided herein, to Interconnection Customer or offset against the cost of any future Interconnection Studies associated with the applicable Interconnection Request prior to beginning of any such future Interconnection Studies. If an Interconnection Customer's study deposit paid pursuant to Section 3.1 is greater than the Interconnection Customer's share of actual Cluster Study costs (including applicable restudies), any excess amounts shall be applied to the Interconnection Customer's individual Interconnection Facility Study costs, or refunded to the Interconnection Customer following Transmission Provider's issuance of the Interconnection Customer's final Interconnection Facilities Study report. Interconnection Customer shall be responsible for any Withdrawal Penalties pursuant to Section 3.7 in the event of withdrawal.

13.3.2 In the event of Interconnection Customer's Withdrawal pursuant to Section 3.7, Transmission provider shall refund to Interconnection Customer any of the refundable portion of the following charges: (a) any study deposit paid pursuant to Section 3.1; (b) $3,000 per MW deposit paid pursuant to Section 3.4.1(v)(d); (c) any Site Control-related deposit paid pursuant to Section 3.4.1(iii); and (d) additional Financial Security payment for Network Upgrade costs paid pursuant to Section 8.1(c). Such refundable portion shall be any amount that exceeds Interconnection Customer's share of the costs that Transmission Provider has incurred (such as study costs) including interest calculated in accordance with Section 35.19a(a)(2) of FERC's regulations, and that exceed any Withdrawal Penalty imposed, if applicable.

13.3.3 Additional Financial Security paid by Interconnection Customer pursuant to Section 8.1(c) shall be refunded in whole or in part on the earlier of: (i) Interconnection Customer is able to demonstrate a Readiness Milestone Option in Section 3.4.1(v)(b), Section 3.4.1(v)(c), or a site-specific Purchase Order for generating equipment specific to the Interconnection Request; (ii) the Interconnection Request is withdrawn from the queue and pays any required Withdrawal Penalties; (iii) before achieving Commercial Operation the Interconnection Customer terminates its executed LGIA pursuant to LGIA Article 2.3 or applicable termination procedures and pays any required Withdrawal Penalties; or (iv) Interconnection Customer achieves Commercial Operation. Any partial or full refund pursuant to this Section shall include interest (if applicable) calculated in accordance with Section 35.19a(a)(2) of FERC's regulations, and that exceed any Withdrawal Penalty imposed.

13.3.4 Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study as well as the Withdrawal Penalty, if applicable. Interconnection Customer shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefor. Transmission Provider shall not be obligated to perform or continue to perform any studies unless Interconnection Customer has paid all undisputed amounts in compliance herewith. If invoices are not paid within thirty (30) Calendar Days of receipt of an invoice, Transmission Provider shall draw upon any security and deposits provided under this LGIP to settle all accounts, which shall include any offsets of amounts due and owing by Transmission Provider. After the final invoice is paid and all accounts are settled, Transmission Provider shall refund all remaining security and deposits.

13.4 Third Parties Conducting Studies

If (i) at the time of the signing of an Interconnection Study Agreement there is a disagreement as to the estimated time to complete an Interconnection Study, (ii) Interconnection Customer receives notice pursuant to Sections 7.4, 7.5(e) or 8.3 that Transmission Provider will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives neither the Interconnection Study nor a notice under Sections 7.4, 7.5(e) or 8.3 within the applicable timeframe for such Interconnection Study, then Interconnection Customer may require Transmission Provider to utilize a third party consultant reasonably acceptable to Interconnection Customer and Transmission Provider to perform such Interconnection Study under the direction of Transmission Provider. At other times, Transmission Provider may also utilize

a third party consultant to perform such Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in accord with Article 26 of the LGIA (Subcontractors) and 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. In cases where Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer and Transmission Provider shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. Transmission Provider shall convey all workpapers, data bases, 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 provisions in Section 13.1. In any case, such third party contract may be entered into with either Interconnection Customer or Transmission Provider at Transmission Provider's discretion. In the case of (iii), Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this LGIP, Article 26 of the LGIA (Subcontractors), and the relevant Tariff 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 cooperate 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 the LGIA, the LGIP, 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 Notice of Dispute shall not be deemed a waiver of the requirements of, nor construed as compliance with, California Government Code Section 910 *et seq.,* or any successor statute.

Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

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"); 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 therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the LGIA and LGIP and shall have no power to modify or change any provision of the LGIA and LGIP 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.

13.5.5 Non-binding dispute resolution procedures.

If a Party has submitted a Notice of Dispute pursuant to Section 13.5.1, and the Parties are unable to resolve the claim or dispute through unassisted or assisted negotiations within the thirty (30) Calendar Days provided in that Section, and the Parties cannot reach mutual agreement to pursue the Section 13.5 arbitration process, a Party may request that Transmission Provider engage in Non-binding Dispute Resolution pursuant to this section by providing written notice to Transmission Provider ("Request for Non-binding Dispute Resolution"). Conversely, either Party may file a Request for Non-binding Dispute Resolution pursuant to this Section without first seeking mutual agreement to pursue the Section 13.5 arbitration process. The process in Section 13.5.5 shall serve as an alternative to, and not a replacement of, the Section 13.5 arbitration process. Pursuant to this process, a Transmission Provider must within 30 days of receipt of the Request for Non-binding Dispute Resolution appoint a neutral decision-maker that is an independent subcontractor that shall not have any current or past substantial business or financial relationships with either Party. Unless otherwise agreed by the Parties, the decision-maker shall render a decision within sixty (60) Calendar Days of appointment and shall notify the Parties in writing of such decision and reasons therefore. This decision-maker shall be authorized only to interpret and apply the provisions of the LGIP and LGIA and shall have no power to modify or change any provision of the LGIP and LGIA in any manner. The result reached in this process is not binding. Each Party shall be responsible for its own costs incurred during the process and the cost of the decision-maker shall be divided equally among each Party to the dispute.

13.5.6 Governing Law and Venue

This LGIP and the LGIA, and all agreements hereunder shall be interpreted, governed by, and enforced in accordance with the laws of the State of California, as if executed and to be performed wholly within the State of California.

Any dispute arising out of or relating to this LGIP and the LGIA shall be brought in a state or federal court in the County of Los Angeles in the State of California. Each Party irrevocably agrees to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens.*

13.5.7 Non-Jurisdictional Entity

Notwithstanding the form of this LGIP or the LGIA and any reference or inclusion of these documents within the Tariff, Transmission Provider is a non-public utility under section 201(f) of the Federal Power Act, 16 U.S.C. §824(f), and is subject to FERC jurisdiction only in limited circumstances pursuant to 16 U.S.C. §824j-1.

13.6 Municipal Tax-Exempt Bonds

13.6.1 Transmission Providers That Own Facilities Financed by Tax Exempt and Tax Credit Bonds

This provision is applicable to those facilities that Transmission Provider has financed with municipal tax-exempt bonds, Build America Bonds (BAB), Clean Renewable Energy Bonds ("CREBS" and "New CREBs"), Qualified Energy Conservation Bonds (QECB) and other qualified tax credit bonds (collectively "Tax Exempt and Tax Credit Bonds"). Notwithstanding any other provision of the LGIA and LGIP, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to the LGIA and LGIP if the provision of such transmission service would jeopardize the tax-exempt status, volume cap, or any federal subsidy of any Tax Exempt or Tax Credit Bond 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 bond identified within Section 13.6.1 used to finance its facilities that would be used in providing such Interconnection Service,

it shall advise the Interconnection Customer within thirty (30) Calendar Days of receipt of the Interconnection Request.

Interconnection Customer thereafter may renew its request for interconnection using the process specified in Article 5 of the Transmission Provider's Tariff.

APPENDIX 1 to LGIP
INTERCONNECTION REQUEST FOR A
LARGE GENERATING FACILITY

1. The undersigned Interconnection Customer submits this request to interconnect its Large Generating Facility with Transmission Provider's Transmission System pursuant to a Tariff.

2. This Interconnection Request is for:
   _____ A proposed new Large Generating Facility.
   _____ All or a portion is an electric storage resource.
   _____ A proposed Large Generating Facility with Interconnection Service below the Generating Facility Capacity.
   _____ An increase in the generating capacity or a Material Modification of an existing Generating Facility.
   _____ Provisional Interconnection Service.
   _____ Surplus Interconnection Service.
   _____ Technological Advancement Request.

3. The type of Interconnection Service requested (check one):
   _____ Energy Resource Interconnection Service
   _____ Network Resource Interconnection Service

   Note: For Surplus Interconnection Service requests, the type of Interconnection Service requested cannot exceed the type of Interconnection Service already provided by the original Interconnection Customer's LGIA.

4. Readiness Milestone Option selected, as specified in the LGIP, along with any supporting documentation: _____

   (Note that if the Readiness Milestone Option in Section 3.4.1(v)(d) is selected at this stage, pursuant to the LGIP, Interconnection Customer will also need to satisfy the requirements of Section 8.1 to proceed to a Facilities Study.)

5. Interconnection Customer provides the following information:

   a. Address or location (including GIS site coordinates) or the proposed new Large Generating Facility site (to the extent known) or, in the case of an existing

Generating Facility, the name and specific location of the existing Generating Facility;

b. Maximum summer at ____ degrees C and winter at _____ degrees C megawatt electrical output of the proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of an existing Generating Facility;

c. General description of the equipment configuration;

d. Anticipated In-Service Date for the proposed new Large Generating Facility (Day, Month, and Year);

e. Commercial Operation Date (Day, Month, and Year);

f. Name, address, telephone number, and e-mail address of Interconnection Customer's contact person;

g. Approximate location of the proposed Point of Interconnection;

h. Interconnection Customer Data (set forth in Attachment A);

i. Primary frequency response operating range for electric storage resources;

j. Requested capacity (in MW) of Interconnection Service (if lower than the Generating Facility Capacity);

k. General description of requested Surplus Interconnection Service, if applicable.

6. Applicable deposit amount as specified in Section 3.1 of the LGIP.

7. Site Control as specified in the LGIP: (check one)
____ Evidence is attached to this Interconnection Request
____ Site Control deposit provided in accordance with this LGIP

8. This Interconnection Request shall be submitted to the representative indicated below:

[To be completed by Transmission Provider]

9. Representative of Interconnection Customer to contact:

[To be completed by Interconnection Customer]

10. This Interconnection Request is submitted by:

Name of Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

Attachment A to Appendix 1
Interconnection Request

LARGE GENERATING FACILITY DATA

Note: A WECC-approved General Electric Company Power Systems Load Flow (PSLF) steady state and dynamic data file must be supplied with the Interconnection Request. If other data files are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.

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	$X2_v$	_____		
Negative Sequence – unsaturated	$X2_i$	_____		
Zero Sequence – saturated	$X0_v$	_____		
Zero Sequence – unsaturated $X0_i$	_____			
Leakage Reactance	Xl_m	_____		

FIELD TIME CONSTANT DATA (SEC)

Open Circuit	T'_{do}	_____	T'_{qo}	_____
Three-Phase Short Circuit Transient T'_{d3}	_____		T'_{q}	_____
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

Zero 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 completed General Electric Company Power Systems Load Flow (PSLF) data sheet or other compatible formats, such as IEEE and PTI power flow models, must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.

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 by (*) is required.

APPENDIX 2 to LGIP
INFORMATIONAL INTERCONNECTION STUDY REQUEST

1. The undersigned Interconnection Customer submits this request for an Informational Interconnection Study pursuant to Transmission Provider's Tariff.

2. The type of interconnection service to be evaluated (check one):
   _____ Energy Resource Interconnection Service
   _____ Network Resource Interconnection Service

3. Check here _____ only if Network Resource Interconnection Service was selected above and Interconnection Customer also requests to have its proposed Generating Facility studied for Energy Resource Interconnection Service, for informational purposes.

4. Interconnection Customer provides the following information:

   a. Address or location of the proposed new Large Generating Facility site to be studied (to the extent known) or, in the case of an existing Generating Facility, the name and specific location of the existing Generating Facility;

   b. Maximum summer at __ degrees C and winter at __ degrees C megawatt electrical output of the proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of an existing Generating Facility;

   c. General description of the equipment configuration;

   d. Commercial Operation Date to be studied (Day, Month, and Year);

   e. Name, address, telephone number, and e-mail address of Interconnection Customer's contact person;

   f. Approximate location of the proposed Point of Interconnection;

   g. Interconnection Customer Data (set forth in Attachment A);

   h. Primary frequency response operating range for electric storage resources; and

   i. Requested capacity (in MW) of Interconnection Service to be studied (if lower than the Generating Facility Capacity).

5. $10,000 study deposit amount as specified in the LGIP.

6. This Interconnection Request shall be submitted to the representative indicated below:
[To be completed by Transmission Provider]

7. Representative of Interconnection Customer to contact:
[To be completed by Interconnection Customer]

8. This Informational Interconnection Request is submitted by:

Name of Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

Attachment A to Appendix 2
Informational Interconnection Study Request

LARGE GENERATING FACILITY DATA

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	$X2_v$	_____		
Negative Sequence - unsaturated	$X2_i$	_____		
Zero Sequence - saturated	$X0_v$	_____		

Zero Sequence - unsaturated	$X0_i$	_____
Leakage Reactance	Xl_m	_____

FIELD TIME CONSTANT DATA (SEC)

Open Circuit		T'_{do}	_____		T'_{qo}	_____
Three-Phase Short Circuit Transient	T'_{d3}	_____		T'_q	_____	
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

Zero 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 set-points for the protective equipment or software:
_____

Note: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet or other compatible formats, such as IEEE and PTI power flow models, must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.

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 by (*) is required.

APPENDIX 2A TO LGIP
INFORMATIONAL INTERCONNECTION STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____ _____, 20_____ by and between _____, a _____organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ _____ a _____ existing under the laws of the State of _____, ("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 developing a Large Generating Facility or generating capacity addition to an existing Generating Facility; and

WHEREAS, Interconnection Customer is proposing to evaluate an interconnection with the Transmission System; and

WHEREAS, Interconnection Customer has submitted to Transmission Provider an Informational Interconnection Study Request; and

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Informational Interconnection Study consistent with Section 6 of the LGIP.

3.0 The scope of the Informational Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Informational Interconnection Study shall be performed solely for informational purposes and is not binding on either Party.

5.0 The Informational Interconnection Study shall be based on the technical information provided by Interconnection Customer in the Informational

Interconnection Study Request, as may be modified as the result of the optional scoping meeting. 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 Informational Interconnection Study. If Interconnection Customer modifies its Informational Interconnection Study Request, the time to complete the Informational Interconnection Study may be extended.

6.0 The Informational Interconnection Study Report shall provide the following information:

- preliminary identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

- preliminary identification of any thermal overload or voltage limit violations resulting from the interconnection; and

- preliminary description and non-bonding estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit and power flow issues.

7.0 Interconnection Customer shall provide a deposit of $10,000 for the performance of the Informational Interconnection Study.

Upon receipt of the Informational Interconnection Study Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Informational Interconnection Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

8.0 Miscellaneous. The Informational Interconnection Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

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.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

Attachment A to Appendix 2A
Informational Interconnection
Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE INFORMATIONAL INTERCONNECTION STUDY

The Informational Interconnection Study will be based upon the information set forth in the Informational Interconnection Study Request and agreed upon in the optional scoping meeting held on _____:

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 the Interconnection Customer and other assumptions to be provided by the Interconnection Customer and Transmission Provider]

APPENDIX 3 to LGIP
CLUSTER STUDY AGREEMENT

THIS AGREEMENT is made and entered into this___day of _____, 20___ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") 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 ("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 [CHOOSE: Large Generating Facility or Small Generating Facility] or generating capacity addition to an existing Generating Facility (including Surplus Interconnection Service and Provisional Interconnection Service) consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the [CHOOSE: Large Generating Facility or Small Generating Facility] or generating capacity addition to an existing Generating Facility (including Surplus Interconnection Service or Provisional Interconnection Service) with the Transmission System; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform a Cluster Study to assess the impact of interconnecting the [CHOOSE: Large Generating Facility or Small Generating Facility] to the Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP and, if applicable, SGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed a Cluster Study consistent with, as applicable, Section 7.0 of the LGIP or Section 3 of the SGIP in accordance with the Tariff and any associated Business Practices.

3.0 The scope of the Cluster Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Cluster Study will be based upon the information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with, as applicable, Section 4.4 of the LGIP or Section 3 of the SGIP. 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. If Interconnection Customer modifies its Interconnection Request or the technical information provided therein, the time to complete the Cluster Study may be extended.

5.0 The Cluster Study report shall provide the following information, as applicable, consistent with the type of Interconnection Service requested:

(i) identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

(ii) identification of any thermal overload or voltage limit violations resulting from the interconnection;

(iii) identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;

(iv) 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, power flow issues; and

(vii) identification of Contingent Facilities.

6.0 Interconnection Customer's deposit, paid pursuant to, as applicable, Section 3.1 of the LGIP, Attachment 2 of the SGIP, or Attachment M-1, as may be applicable, shall be used to pay Interconnection Customer's share of Cluster Study costs allocated pursuant to Section 4.2.2 of the LGIP or Section 3.4.2 of the SGIP. Transmission Provider's good faith estimate for the time of completion of the Cluster Study is [insert date].

Upon receipt of the Cluster Study, Transmission Provider shall charge and Interconnection Customer shall pay its actual allocable costs of the Cluster Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate. As provided in Section 13.3 of the LGIP, Interconnection Customer has thirty (30) Calendar Days of receipt of an invoice from Transmission Provider to pay any undisputed costs. If invoices are not paid within thirty (30) Calendar Days of receipt of an invoice, Transmission Provider shall draw upon the security and deposits provided to settle all accounts, which shall include any offsets of amounts due and owing by Transmission Provider. After the final invoice is paid and all accounts are settled, Transmission Provider shall refund all remaining security and deposits.

7.0 Miscellaneous Provisions.

7.1 Indemnification. The Parties shall at all times indemnify, defend, and hold harmless the other Parties, their respective officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, death, bodily injury or personal injury to any person, damage or destruction to any property (financial, physical, or intellectual) by or to third parties (collectively, "Losses") arising by reason of or incident to or directly or indirectly related to the other Party's acts, errors or omissions, performance or non-performance or Breach of any of their obligations of or under this Agreement, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.2 Accuracy of Information. The Interconnection Customer represents and warrants that, to the best of its knowledge and in accordance with Good Utility Practice, the information that it provides to the Transmission Provider in connection with this Cluster Study Agreement and the Cluster Study is accurate and complete. The Interconnection Customer acknowledges and accepts that it has a continuing obligation under this Cluster Study Agreement to promptly provide the Transmission Provider

with any additional information required to update the information previously provided within no less than forty-eight (48) hours.

7.3 Disclaimer of Warranty; Limitation of Liability and Release. In performing or causing the Cluster Study to be performed, the Transmission Provider may rely on the information provided by the Interconnection Customer and third parties, which Transmission Provider may not have any control over the veracity or accuracy of such information. For data, information and other studies submitted by the Interconnection Customer or obtained from third parties or industry sources, TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

Upon execution of this Cluster Study Agreement, the Interconnection Customer acknowledges and accepts that it has not relied on any representations or warranties not specifically set forth herein.

7.4 Representations and Warranties. Each Party makes the following representations, warranties and covenants:

7.4.1 Good Standing. Such Party is duly organized, validly existing and, in the case of the Interconnection Customer, in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located**;** and that it has legal 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.

7.4.2 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), and, in the case of the Transmission Provider, the limitations on legal remedies against municipal corporations in the State of California.

7.4.3 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.

7.4.4 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.

7.5 Force Majeure.

7.5.1 A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence (which does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to the additional requirement of a Force Majeure Written Notice set forth in Section 7.5.2.

7.5.2 A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall provide the Force Majeure Immediate Notice pursuant to Section 7.5.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set forth above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate

period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

7.6 Assignment. This Cluster Study Agreement shall not be assigned, conveyed or transferred to any third party unless the provisions of Section 4.3 of the LGIP have been satisfied and Transmission Provider consents to such assignment, conveyance or transfer in writing.

7.7 Governing Law. This Agreement was made and entered into in the City of Los Angeles and 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.

7.8 Venue. All litigation arising out of, or relating to this Cluster Study Agreement, shall be brought in a court of competent jurisdiction located in Los Angeles County, 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.*

7.9 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this Cluster Study Agreement, or with respect to any other matter arising in connection with said agreement, shall not be deemed a waiver with respect to any subsequent default or other mater arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

7.10 Binding Effect. This Cluster Study Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors or assigns, subject to Section 4.3 of the LGIP.

7.11 Attorney Fees and Costs. Both Parties agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorney fees and costs.

7.12 Entire Agreement. This Cluster Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This Agreement may be amended only by a written document signed by both Parties.

7.13 Signatures. This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

8.0 Termination or Withdrawal. Any request to terminate or withdraw from a study, expressly excepting any request for an extension of time on the Cluster Study not to exceed one year from the date that the Transmission Provider commenced the study, shall be deemed as a withdrawal of the Interconnection Request in accordance with Section 3.7 of the LGIP.

9.0 Term of Agreement. This agreement shall become effective on the day and year first above written and shall remain in effect for an initial term of one (1) year. The term of this agreement may be extended by mutual agreement of the Parties, provided, however, that in no event shall the total term of this agreement be longer than three (3) years from the day and year first above written.

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.

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

Attachment A to Appendix 3
Cluster Study Agreement

ASSUMPTIONS USED IN CONDUCTING CLUSTER STUDY

The Cluster Study will be based upon the information set forth in the Interconnection Request and results of applicable prior Interconnection Studies, subject to any modifications in accordance with Section 4.4 of the LGIP and Section 1.4 of the SGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

[Above assumptions to be completed by Interconnection Customer, and other assumptions to be provided by Interconnection Customer and Transmission Provider]

Note: All information below shall be considered preliminary at this time as it is subject to detailed design and verification later

1. **One-line Diagram/Configuration Layout of Interconnection Customer's Facility:**
   (To be provided by the Interconnection Customer)

2. **Interconnection Transmission Line Description**

Interconnection Line	R1 p.u. on 100 MVA base	X1 p.u on 100 MVA base	B p.u on 100 MVA base	R0 p.u on 100 MVA base	X0 p.u. on 100 MVA base

Interconnection Line	Length (mi.)	Conductor Type & Size	Normal Rating (MVA)	Emergency Rating (MVA)

R1, X1, B = positive sequence ,

R0, X0 = zero sequence

3. Generator Step Up Transformer Equivalent

- Transformer winding vector group connection diagrams (ex: **D-Y, Y-D, Y-Y, Y-D-Y**);
- Neutral grounding impedance(s) if applied (ohms)

Transformer Name	Xfmr Rating (MVA)	R1 Pri. to Sec. on 100 MVA base	X1 Pri. to Sec. on 100 MVA base	R1 Pri. to tert. on 100 MVA base*	X1 Sec. to tert. on 100 MVA base*	R1 Sec. to tert. on 100 MVA base*	X1 Sec. to tert. on 100 MVA base*	Tertiary Winding Voltage*
		R0 Pri. to Sec. on 100 MVA base**	X0 Pri. to Sec. on 100 MVA base**	R0 Pri. to tert. on 100 MVA base*	X0 Pri. to tert. on 100 MVA base*	R0 Sec. to tert. on 100 MVA base*	X0 Sec. to tert. on 100 MVA base*	
	Vnorm (from)	Vnorm (to)	Tap (from)	Tap (to)	Variable Tap	Tap (max)	Tap (min)	Tap Step size

*** transformer tertiary winding (if applicable)**
**** with delta tertiary in service (if applicable)**
R1, X1 = positive sequence, R0, X0 = zero sequence

4. Collector System Cable Equivalent Impedance (one line for each collector feeder)

R1 p.u. on 100 MVA base	X1 p.u. on 100 MVA base	B p.u on 100 MVA base	R0 p.u on 100 MVA base	X0 p.u. on 100 MVA base	Rating (MVA) Cont. & Emergency

5. Collector Substation Transformers

- Transformer winding vector group connection diagrams (ex: D-Y, Y-D, Y-Y)
- Neutral grounding impedance(s) if applied (ohms and winding(s))

Transformer Name	TransformerRating (MVA)	R1 p.u. on 100 MVA base	X1 p.u. on 100 MVA base	R0 p.u. on 100 MVA base	X0 p.u. on 100 MVA base			
	Vnorm (from)	Vnorm (to)	Tap (from)	Tap (to)	Variable Tap	Tap (max)	Tap (min)	Tap Step Size

6. Generator Equivalent

Unit	Rated voltage (kV)	Rated power (MVA)	X''1 on 100 MVA Base (pu)	X"2 on 100 MVA Base (pu)	X"0 on 100 MVA Base (pu)	Pmax MW	Pmin MW	Qmax MVars	Qmin MVars	Regulated Bus
In the case of power electronic sources, steady state current limit for short circuit currents (A at rated voltage)										
			-	-	-					

***Qmax indicated is indicative of maximum reactive capability at Pmax**

X"1 = Positive Sequence (first cycle),
X"2 = Negative Sequence (first cycle)
X'0 = Zero Sequence (includes any neutral grounding impedance if applied)

7. Plant-level Reactive Power Compensation

Shunt Capacitor Power Compensation	Size (MVAR)

Shunt Reactor Power Compensation	**Size (MVAR)**

8. **Dynamic Data** (To be provided by the requestor)

All the appropriate dynamic data for each generator, governor, exciter, power system stabilizer, and/or wind turbine, photo-voltaic, and energy storage must be supplied in the GE PSLF format.

The dynamic model data provided shall be a WECC approved model.

9. Additional Data for Harmonic Study

- Inverter specification (Electrical Characteristics) sheet
- Harmonic Frequency Spectrum of the inverter
- Main Transformer MVA rating under normal operating conditions

APPENDIX 4 to LGIP
INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this___day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") 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 ("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, Transmission Provider has completed a 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.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause an Interconnection Facilities Study consistent with Section 8.0 of this LGIP to be performed in accordance with the Tariff and any associated Business Practices.

2.1 Interconnection Customer shall provide (a) a demonstration of Site Control and (b) a Readiness Milestone Option or additional financial security payment in accordance with Section 8.1 of the LGIP.

3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.

4.0 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, power flow issues identified in the Cluster Study, as applicable, consistent with the type of Interconnection Service requested.

5.0 Interconnection Customer shall pay the actual costs of the Interconnection Facilities Study. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice.

6.0 Miscellaneous Provisions.

6.1 Indemnification. The Parties shall at all times indemnify, defend, and hold harmless the other Parties, their respective officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, death, bodily injury or personal injury to any person, damage or destruction to any property (financial, physical, or intellectual) by or to third parties (collectively, "Losses") arising by reason of or incident to or directly or indirectly related to the other Party's acts, errors or omissions, performance or non-performance or Breach of any of

their obligations of or under this Agreement, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

6.2 Accuracy of Information. The Interconnection Customer represents and warrants that, to the best of its knowledge and in accordance with Good Utility Practice, the information that it provides to the Transmission Provider in connection with this Interconnection Facilities Study Agreement and the Interconnection Facilities Study is accurate and complete. The Interconnection Customer acknowledges and accepts that it has a continuing obligation under this Interconnection Facilities Study Agreement to promptly provide the Transmission Provider with any additional information required to update the information previously provided within no less two (2) Business Days.

6.3 Disclaimer of Warranty; Limitation of Liability and Release. In performing or causing the Interconnection Facilities Study to be performed, the Transmission Provider may rely on the information provided by the Interconnection Customer and third parties, which Transmission Provider may not have any control over the veracity or accuracy of such information. For data, information and other studies submitted by the Interconnection Customer or obtained from third parties or industry sources, TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO

EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

Upon execution of this Interconnection Facilities Study Agreement, the Interconnection Customer acknowledges and accepts that it has not relied on any representations or warranties not specifically set forth herein.

6.4 Representations and Warranties. Each Party makes the following representations, warranties and covenants:

6.4.1 Good Standing. Such Party is duly organized, validly existing and, in the case of the Interconnection Customer, in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located**;** and that it has legal 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.

6.4.2 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), and, in the case of the Transmission Provider, the limitations on legal remedies against municipal corporations in the State of California.

6.4.3 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.

6.4.4 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.

6.5 Force Majeure.

6.5.1 A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence (which does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to the additional requirement of a Force Majeure Written Notice set forth in Section 6.5.2.

6.5.2 A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall provide the Force Majeure Immediate Notice pursuant to Section 6.5.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure

Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set forth above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

6.6 Assignment. This Interconnection Facilities Study Agreement shall not be assigned, conveyed or transferred to any third party unless the provisions of Section 4.3 of the LGIP have been satisfied and Transmission Provider consents to such assignment, conveyance or transfer in writing.

6.7 Governing Law. This Agreement was made and entered into in the City of Los Angeles and 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.

6.8 Venue. All litigation arising out of, or relating to this Interconnection Facilities Study Agreement, shall be brought in a court of competent jurisdiction located in Los Angeles County, 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.*

6.9 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this Interconnection Facilities Study Agreement, or with respect to any other matter arising in connection with said agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. Any delay, short of the statutory period of

limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

6.10 Binding Effect. This Interconnection Facilities Study Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors or assigns, subject to Section 4.3 of the LGIP.

6.11 Attorney Fees and Costs. Both Parties agree that in any action to enforce the terms of this agreement that each Party shall be responsible for its own attorney fees and costs.

6.12 Entire Agreement. This Interconnection Facilities Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This agreement may be amended only by a written document signed by both Parties.

6.13 Signatures. This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

7.0 Termination or Withdrawal. Any request to terminate or withdraw from a study, expressly excepting any request for an extension of time on the Interconnection Facilities Study not to exceed one year from the date that the Transmission Provider commenced the study, shall be deemed as a withdrawal of the Interconnection Request in accordance with Section 3.7 of the LGIP.

8.0 Term of Agreement. This agreement shall become effective on the day and year first above written and shall remain in effect for an initial term of one (1) year. The term of this agreement may be extended by mutual agreement of the Parties, provided, however, that in no event shall the total term of this agreement be longer than three (3) years from the day and year first above written.

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.

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

By: _____

Title: _____

Date: _____

INTERCONNECTION CUSTOMER

By: _____

Title: _____

Date: _____

Attachment A to Appendix 4
Interconnection Facilities
Study Agreement

INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR CONDUCTING THE INTERCONNECTION FACILITIES STUDY

Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after of receipt of an executed copy of this Interconnection Facilities Study Agreement:

- ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report, or

- one hundred eighty (180) Calendar Days with no more than a +/- 10 percent cost estimate contained in the report.

Attachment B to Appendix 4
Interconnection Facilities
Study Agreement

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, etc.

One set of metering is required for each generation connection to the new ring bus 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 location of auxiliary power. (Minimum load on CT/PT) Amps

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, control equipment, and/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:

_____

Bus 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:

Begin Construction	Date: _____
Generator step-up transformer receives back feed power	Date: _____
Generation Testing	Date: _____
Commercial Operation	Date: _____

APPENDIX 5 to LGIP
SURPLUS INTERCONNECTION SERVICE SYSTEM IMPACT STUDY AGREEMENT

THIS AGREEMENT is made and entered into this_____ day of ____, 20___ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") 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 ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, in accordance with a request submitted to the Transmission Provider on _____Interconnection Customer is proposing to utilize Surplus Interconnection Service associated with a Large Generating Facility operating under an LGIA between _____("Original Interconnection Customer") and Transmission Provider dated_____ _____;

WHEREAS, Interconnection Customer desires to utilize Surplus Interconnection Service of an existing Generating Facility interconnected with the Transmission System; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform a Surplus Interconnection Service System Impact Study to assess the impact of utilization of Surplus Interconnection Service on the Transmission System, and any Affected Systems.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed a Surplus Interconnection Service System Impact Study consistent with Section 3 of this LGIP and any associated Business Practices as posted on Transmission Provider on its OASIS site.

3.0 The scope of the Surplus Interconnection Service System Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Surplus Interconnection Service System Impact Study will be performed based on the requirements of Section 3 of Transmission Provider's LGIP and the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 4.4 of the 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 Surplus Interconnection Service System Impact Study. If Interconnection Customer modifies its Interconnection Request, or the technical information provided therein is modified, the time to complete the Surplus Interconnection Service System Impact Study may be extended.

5.0 The Surplus Interconnection Service System Impact 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.

6.0 Transmission Provider's good faith estimate for the time of completion of the Surplus Interconnection Service System Impact Study is _____, 20_____. Interconnection Customer's deposit for the Surplus Interconnection Service System Impact Study shall be the same $10,000 provided by the Interconnection Customer as part of the Surplus Interconnection Service Request.

Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Surplus Interconnection Service System Impact 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.

7.0 Miscellaneous Provisions.

7.1 Indemnification. The Parties shall at all times indemnify, defend, and hold harmless the other Parties, their respective officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, death, bodily injury or personal injury to any person, damage or destruction to any property (financial, physical, or intellectual) by or to third parties (collectively, "Losses") arising by reason of or incident to or directly or indirectly related to the other Party's acts, errors or omissions, performance or non-performance or Breach of any of their obligations of or under this Agreement, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.2 Accuracy of Information. The Interconnection Customer represents and warrants that, to the best of its knowledge and in accordance with Good Utility Practice, the information that it provides to the Transmission Provider in connection with this Surplus Interconnection Service System Impact Study Agreement and the Cluster Study is accurate and complete. The Interconnection Customer acknowledges and accepts that it has a continuing obligation under this Surplus Interconnection Service System Impact Study Agreement to promptly provide the Transmission Provider with any additional information required to update the information previously provided within no less than forty-eight (48) hours.

7.3 Disclaimer of Warranty; Limitation of Liability and Release. In performing or causing the Surplus Interconnection System Impact Study to be performed, the Transmission Provider may rely on the information provided by the Interconnection Customer and third parties, which Transmission Provider may not have any control over the veracity or

accuracy of such information. For data, information and other studies submitted by the Interconnection Customer or obtained from third parties or industry sources, TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

Upon execution of this Surplus Interconnection System Impact Study Agreement, the Interconnection Customer acknowledges and accepts that it has not relied on any representations or warranties not specifically set forth herein.

7.4 Representations and Warranties. Each Party makes the following representations, warranties and covenants:

7.4.1 Good Standing. Such Party is duly organized, validly existing and, in the case of the Interconnection Customer, in good standing

under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located**;** and that it has legal 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.

7.4.2 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), and, in the case of the Transmission Provider, the limitations on legal remedies against municipal corporations in the State of California.

7.4.3 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.

7.4.4 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.

7.5 Force Majeure.

7.5.1 A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure

that, despite the exercise of due diligence (which does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to the additional requirement of a Force Majeure Written Notice set forth in Section 7.5.2.

7.5.2 A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall provide the Force Majeure Immediate Notice pursuant to Section 7.5.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set forth above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

7.6 Assignment. This Surplus Interconnection System Impact Study Agreement shall not be assigned, conveyed or transferred to any third

party unless the provisions of Section 4.3 of the LGIP have been satisfied and Transmission Provider consents to such assignment, conveyance or transfer in writing.

7.7 Governing Law. This Agreement was made and entered into in the City of Los Angeles and 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.

7.8 Venue. All litigation arising out of, or relating to this Surplus Interconnection System Impact Study Agreement, shall be brought in a court of competent jurisdiction located in Los Angeles County, 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.*

7.9 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this Surplus Interconnection System Impact Study Agreement, or with respect to any other matter arising in connection with said agreement, shall not be deemed a waiver with respect to any subsequent default or other mater arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

7.10 Binding Effect. This Surplus Interconnection System Impact Study Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors or assigns, subject to Section 4.3 of the LGIP.

7.11 Attorney Fees and Costs. Both Parties agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorney fees and costs.

7.12 Entire Agreement. This Surplus Interconnection System Impact Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This Agreement may be amended only by a written document signed by both Parties.

7.13 Signatures. This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

8.0 Term of Agreement. This agreement shall become effective on the day and year first above written and shall remain in effect for an initial term of one (1) year. The term of this agreement may be extended by mutual agreement of the Parties, provided, however, that in no event shall the total term of this agreement be longer than three (3) years from the day and year first above written.

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.

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

OATT Effective [Insert]

Attachment A To Appendix 5
Surplus Interconnection Service System Impact
Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE
SURPLUS INTERCONNECTION SERVICE SYSTEM IMPACT STUDY

The Surplus Interconnection Service System Impact Study will be based upon the results of the Original Interconnection Customer's system impact study (if any) or Cluster Study, and the following assumptions:

Existing Point of Interconnection of Original Interconnection Customer:

Note: For Surplus Interconnection Service requests, the request cannot exceed the type of Interconnection Service already provided by the Original Interconnection Customer's LGIA.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

APPENDIX 6 TO LGIP

LARGE GENERATOR INTERCONNECTION AGREEMENT

Appendix 6 to the Large Generator Interconnection Procedures

FORM OF LARGE GENERATOR

INTERCONNECTION AGREEMENT (LGIA)

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LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS LARGE GENERATOR INTERCONNECTION AGREEMENT ("Agreement") is made and entered into this ____ day of _____ 20__, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), and the Department of Water and Power of the City of Los Angeles, a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California ("Transmission Provider" and/or "Transmission Owner"). Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

Recitals:

WHEREAS, Transmission Provider operates the Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and,

WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility with the Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Open Access Transmission Tariff ("Tariff").

Article 1: Definitions

Adverse System Impact:

Shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System:

Shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator:

Shall mean the entity that operates an Affected System.

Affiliate:

Shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Ancillary Services:

Shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations:

Shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council:

Shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards:

Shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case:

Shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach:

Shall mean the failure of a Party to perform or observe any material term or condition of the Large Generator Interconnection Agreement.

Breaching Party:

Shall mean a Party that is in Breach of the Large Generator Interconnection Agreement.

Business Day:

Shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day:

Shall mean any day including Saturday, Sunday or a Federal Holiday.

Cluster:

Shall mean a group of Interconnection Requests (one or more) that are studied together for the purpose of conducting the Cluster Study.

Cluster Area:

Shall mean the areas of the Transmission Provider's Transmission System that are included together in a Cluster, as described further in Section 7.4 of the LGIP.

Cluster Request Window:

Shall have the meaning set forth in Section 4.2.1 of the LGIP.

Cluster Re-Study:

Shall mean a re-study of a Cluster Study conducted pursuant to Section 7.4 of the LGIP.

Cluster Re-Study Report:

Shall mean the report issued following completion of a Cluster Re-Study pursuant to Section 7.5 of the LGIP.

Cluster Re-Study Meeting:

Shall mean the meeting held to discuss the results of a Cluster Re-Study pursuant to Section 7.5 of the LGIP.

Cluster Study:

Shall mean an Interconnection Study evaluating one or more Interconnection Requests within a Cluster, as described in more detail in Section 7.4 of the LGIP.

Cluster Study Agreement:

Shall mean the form of agreement contained in Appendix 3 to the Large Interconnection Procedures for conducting the Cluster Study.

Cluster Study Report:

Shall mean the report issued following completion of a Cluster Study pursuant to Section 7.4 of the LGIP.

Cluster Study Report Meeting:

Shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7.4 of the LGIP.

Clustering:

Shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, as described in more detail in Section 7 of the LGIP.

Commercial Operation:

Shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date:

Of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Large Generator Interconnection Agreement.

Confidential Information:

Shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Control Area:

Shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by the Applicable Reliability Council.

Default:

Shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Large Generator Interconnection Agreement.

Dispute Resolution:

Shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System:

Shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from

interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades:

Shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date:

Shall mean the date on which the Large Generator Interconnection Agreement becomes effective upon execution by the Parties.

Emergency Condition:

Shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service:

Shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or non-firm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement:

Shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law:

Shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act:

Shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC:

Shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Force Majeure:

Shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, or any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility:

Shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity:

Shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice:

Shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts

which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority:

Shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof. In this context Transmission Provider does not include the City of Los Angeles or the Board of Water and Power Commissioners. Transmission Provider only includes the Department of Water and Power.

Hazardous Substances:

Shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Informational Interconnection Study:

Shall mean an analysis based on assumptions specified by Interconnection Customer in the Informational Interconnection Study Agreement and conducted pursuant to Section 6 of the LGIP.

Informational Interconnection Study Agreement:

Shall mean the form of agreement contained in Appendix 2A to the Large Generator Interconnection Procedures for conducting the Informational Interconnection Study.

Informational Interconnection Study Request:

Shall mean an Interconnection Customer's request in the form of Appendix 2 to the Large Generator Interconnection Procedures.

Initial Synchronization Date:

Shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date:

Shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer:

Shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System. For purposes of the Transmission Provider's Cluster Study process conducted pursuant to Section 7 of the LGIP, and except as modified by Section 3 of Attachment N of the Transmission Provider's Tariff, "Interconnection Customer" shall also mean any Small Generating Facility that is participating in a Cluster.

Interconnection Customer's Interconnection Facilities:

Shall mean all facilities and equipment, as identified in Appendix A of the Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities:

Shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network

Upgrades or Network Upgrades. Interconnection Facilities may be shared by more than one Generating Facility in a Cluster.

Interconnection Facilities Study:

Shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Cluster Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement:

Shall mean the form of agreement contained in Appendix 4 of the Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Request:

Shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System. For purposes of the Transmission Provider's Cluster Study process conducted pursuant to Section 7 of the LGIP, and except as modified by Section 1.3 of Attachment N of the Transmission Provider's Tariff, "Interconnection Request" shall also mean any interconnection request from a Small Generating Facility that is participating in a Cluster.

Interconnection Service:

Shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Study:

Shall mean any of the following studies: the Informational Interconnection Study, the Cluster Study, Surplus Interconnection Service System Impact Study, and the Interconnection Facilities Study described in the Large Generator Interconnection Procedures.

IRS:

Shall mean the Internal Revenue Service.

Joint Operating Committee:

Shall be a group made up of representatives from Interconnection Customer and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility:

Shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Loss:

Shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Large Generator Interconnection Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnifying Party.

Material Modification:

Shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment:

Shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC:

Shall mean the North American Electric Reliability Corporation or its successor organization.

Network Resource:

Shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service:

Shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades:

Shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute:

Shall mean a written notice of a dispute or claim that arises out of or in connection with the Large Generator Interconnection Agreement or its performance.

Party or Parties:

Shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership:

Shall mean the point, as set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Interconnection:

Shall mean the point, as set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Provisional Interconnection Service:

Shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement:

Shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position:

Shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time Interconnection Customer satisfies all of the requirements of Sections 3, 4, and 7 of Transmission Provider's LGIP to enter the Cluster Study Process.

Reasonable Efforts:

Shall mean, with respect to an action required to be attempted or taken by a Party under the Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Readiness Milestone Options:

Shall mean the options set forth in Section 3.4.1(v) of the LGIP.

Resource Plan:

Shall mean any process authorized or required by Applicable Laws and Regulations for, inter alia, the selection of Generating Facilities.

Resource Solicitation Process:

Shall mean any process authorized or required by Applicable Laws and Regulations for the acquisition of Network Resources.

Scoping Meeting:

Shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing the proposed interconnection request, alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to affect such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control:

Shall mean 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 interest in a site of sufficient size to construct and operate the Generating Facility; or (3) any other documentation that clearly demonstrates the right of the Interconnection Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. Site Control for any co-located project is demonstrated by a contract or other agreement demonstrating shared land use for all co-located projects that meet the aforementioned provisions of this Site Control definition.

Small Generating Facility:

Shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades:

Shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System

during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Large Generator Interconnection Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

Surplus Interconnection Service System Impact Study:

Shall mean an engineering study that evaluates the impact of a proposed request for Surplus Interconnection Service on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Large Generator Interconnection Procedures.

Surplus Interconnection Service System Impact Study Agreement:

Shall mean the form of agreement contained in Appendix 5 of the Large Generator Interconnection Procedures for conducting a system impact study for purposes of evaluating a request for Surplus Interconnection Service pursuant to Section 3.3 of the LGIP.

Surplus Interconnection Service:

Shall mean any unneeded portion of Interconnection Service established in a 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 Protection Facilities:

Shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff:

Shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as amended or supplemented from time to time, or any successor tariff.

Transmission Owner:

Shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider:

Shall mean the transmitting utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission Provider's Interconnection Facilities:

Shall mean all facilities and equipment owned, controlled or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades. Transmission Provider's Interconnection Facilities may be shared by more than one Generating Facility in a given Cluster Study.

Transmission System:

Shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation:

Shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Variable Energy Resource:

Shall mean a device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

Withdrawal Penalty:

Shall have the meaning set forth in Section 3.7.1 of the LGIP.

Article 2: Effective Date, Term, and Termination

2.1 Effective Date:

This LGIA shall become effective upon execution by the Parties.

2.2 Term of Agreement:

Subject to the provisions of Article 2.3, this LGIA shall remain in effect: (i) for a period of ten (10) years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures:

2.3.1 Written Notice:

This LGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice or by Transmission Provider if the Generating Facility permanently ceases Commercial Operation. This LGIA shall be terminated by Transmission Provider if the Generating Facility or a portion of the Generating Facility fails to achieve Commercial Operation by the Commercial Operation Date established in accordance with Section 4.4.5 of the LGIP, including any extension provided thereunder, or, having previously achieved Commercial Operation, has ceased Commercial Operation for three (3) consecutive years, beginning with the last date of Commercial Operation for the Generating Facility, after giving Interconnection Customer ninety (90) Calendar Days advance written notice. When only a portion of the Generating Facility fails to achieve Commercial Operation by the Commercial Operation Date established in accordance with Section 4.4.5 of the LGIP, including any extension provided thereunder, Transmission Provider shall

terminate only that portion of the LGIA. Notwithstanding the foregoing, in the limited circumstance that the Interconnection Request is served by a Contingent Facility with an in-service date that is later than the Commercial Operation Date permitted under Section 4.4.5 of the LGIP, Transmission Provider shall terminate this LGIA only for failure to achieve Commercial Operation by ninety (90) Calendar Days after that later in-service date of the Contingent Facility. The Generating Facility will not be deemed to have ceased Commercial Operation for purposes of this Article 2.3.1 if Interconnection Customer can document that it has taken other significant steps to maintain or restore operational readiness of the Generating Facility for the purpose of returning the Generating Facility to Commercial Operation as soon as possible.

2.3.2 Default:

Either Party may terminate this LGIA in accordance with Article 17.

2.3.3 Notwithstanding Articles 2.3.1 and 2.3.2:

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations and satisfy all outstanding obligations incurred prior to and through the noticed date of termination.

2.4 Termination Costs:

If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA:

2.4.1:

With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that, in the event Interconnection Customer elects not to authorize such cancellation Interconnection Customer shall

assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment and, if necessary, assign such contracts to Interconnection Customers as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return of such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2:

Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3:

With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection:

Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

2.6 Survival:

This LGIA shall continue in effect after termination to the extent necessary: to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3: Regulatory Filings

3.1 Filing:

Transmission Provider shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this LGIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

Article 4: Scope of Service

4.1 Interconnection Product Options:

Interconnection Customer has selected the following (checked) type of Interconnection Service:

4.1.1 Energy Resource Interconnection Service:

4.1.1.1 The Product:

Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive Energy Resource Interconnection Service, Transmission Provider shall construct facilities identified in Attachment A.

4.1.1.2 Transmission Delivery Service Implications:

Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so (e.g., PJM, ISO-NE, NYISO), Interconnection Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.

4.1.2 Network Resource Interconnection Service:

4.1.2.1 The Product:

Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its

generating facilities to serve native load customers; or (2) in an ISO or RTO with market-based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Attachment A to this LGIA.

4.1.2.2 Transmission Delivery Service Implications:

Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be consistent with traditional principles, processes and procedures of cost-of-service ratemaking.

Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the

output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.

4.2 Provision of Service:

Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

4.3 Performance Standards:

Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a Transmission Provider or Transmission Owner, then that Party shall amend the LGIA accordingly. Additionally, the Interconnection Customer shall have a continuing duty to comply with Attachment O of this Tariff, as applicable.

4.4 No Transmission Delivery Service:

The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.5 Interconnection Customer Provided Services:

The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5: Interconnection Facilities Engineering, Procurement, and Construction

5.1 Options:

Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either the Standard Option or Alternate Option set forth below and such dates and selected option shall be set forth in Appendix B, Milestones. At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to Transmission Provider, the Interconnection Customer shall notify Transmission Provider within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

5.1.1 Standard Option:

Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Reserved: .

5.1.3 Option to Build:

Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option:

If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives, or the procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades ifthe Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then pursuant to Article 5.1.1 (Standard Option), Transmission Provider shall assume responsibility for the design, procurement and construction of all facilities other than Transmission Provider's Interconnection

Facilities and Stand Alone Network Upgrades ifthe Interconnection Customer elects to exercise the Option to Build.

5.2 General Conditions Applicable to Option to Build:

If Interconnection Customer assumes responsibility for the design procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades:

(1)

Interconnection Customer shall engineer, procure equipment, and construct Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using the standards and specifications provided in advance by Transmission Provider;

(2)

Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(3)

Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(4)

Prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider;

(5)

At any time during construction, Transmission Provider shall have the right to gain unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(6)

At any time during the construction, should any phase of the engineering, equipment procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(7)

Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;

(8)

Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

(9)

Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Transmission Provider; and

(10)

Transmission Provider shall approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the In-Service Date to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(11)

Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand Alone Network Upgrades are built to the standards and specifications required by Transmission Provider.

(12)

If Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, Interconnection Customer shall pay Transmission Provider the agreed upon amount of [$ PLACEHOLDER] for Transmission Provider to execute the responsibilities enumerated to Transmission Provider under Article 5.2. Transmission Provider shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

5.3 Liquidated Damages:

The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraph 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ¼ of 1 percent per day of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades for which Transmission Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Transmission Provider to Interconnection Customer as just compensation for the damages caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy

for the Transmission Provider's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless Interconnection Customer would have been able to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation or to export power from the Large Generating Facility, but for Transmission Provider's delay; (2) Transmission Provider's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with Transmission Provider or any cause beyond Transmission Provider's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 Power System Stabilizers:

The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed power system stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's power system stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

5.5 Equipment Procurement:

If responsibility for construction of Transmission Provider's Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1:

Transmission Provider has completed the Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;

5.5.2:

Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.5.3:

Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement:

Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1:

Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2:

Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;

5.6.3:

Transmission Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.6.4:

Interconnection Customer has provided security to Transmission Provider in

accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.7 Work Progress:

The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.

5.8 Information Exchange:

As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 Other Interconnection Options:

5.9.1 Limited Operation:

If any of Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

5.9.2 Provisional Interconnection Service:

Upon the request of Interconnection Customer, and prior to completion of requisite

Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities Transmission Provider may execute a Provisional Large Generator Interconnection Agreement. Transmission Provider shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Generating Facility or Transmission System. Transmission Provider shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities that are necessary to meet the requirements of NERC, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Generating Facility are in place prior to the commencement of Interconnection Service from the Generating Facility. Where available studies indicate that such, Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Generating Facility are not currently in place, Transmission Provider will perform a study, at the Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Generating Facility in the Provisional Large Generator Interconnection Agreement shall be studied and updated [on a frequency determined by Transmission Provider and at the Interconnection Customer's expense]. Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional Large Generator Interconnection Agreement and the Large Generator Interconnection Agreement, including changes in output limits and Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities cost responsibilities.

5.10 Interconnection Customer's Interconnection Facilities: ("ICIF"):

Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.10.1 Interconnection Customer's Interconnection Facility Specifications:

Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such

specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Transmission Provider's Review:

Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.

5.10.3 ICIF Construction:

The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Transmission Provider's Interconnection Facilities Construction:

Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection

Customer the following "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities including relay diagrams.

Transmission Provider will obtain ownership (unless otherwise agreed by the Transmission Provider) and control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.12 Access Rights:

Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13 Lands of Other Property Owners:

If any part of Transmission Provider or Transmission Owner's Interconnection Facilities, Stand Alone Network Upgrades, and/or Network Upgrades is to be installed on property owned by persons other than Transmission Provider or Transmission Owner, Transmission Provider or Transmission Owner shall at Interconnection Customer's expense use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Provider or Transmission Owner's Interconnection Facilities, Stand Alone Network Upgrades, and/or Network Upgrades upon such property.

5.14 Permits:

Transmission Provider or Transmission Owner and Interconnection Customer shall

cooperate with each other in good faith in obtaining all permits, licenses, and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Transmission Provider or Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's, generation.

5.15 Early Construction of Base Case Facilities:

Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Interconnection Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 Suspension:

Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria.

In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so. Interconnection Customer shall also be obligated to pay any applicable penalties associated with the suspension, pursuant to Section 3.7 of the LGIP.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. Except as provided in Article

5.16.2 below, in the event Interconnection Customer suspends work by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

5.16.1 Effect of Misused Interconnection Customer LGIA Milestones:

If Interconnection Customer fails to provide notice of suspension pursuant to Article 5.16, and Interconnection Customer fails to fulfill or complete any Interconnection Customer LGIA Milestone provided in Appendix B ("LGIA Milestone"), this constitutes a Breach under this LGIA. Depending upon the consequences of the Breach and effectiveness of the cure pursuant to Article 17, Transmission Provider's LGIA Milestones may be revised, following consultation with Interconnection Customer, consistent with Reasonable Efforts, and in consideration of all relevant circumstances. Parties shall employ Reasonable Efforts to maintain their remaining respective LGIA Milestones.

5.16.2 Effect of Suspension; Parties Obligations:

In the event that Interconnection Customer suspends work pursuant to this Article 5.16, the applicable construction duration, timelines and schedules set forth in Appendix B shall be suspended during the period of suspension. Should Interconnection Customer thereafter request that work be recommenced, Appendix A and Appendix B may be revised to account for construction sequencing and modified milestones. If the Commercial Operation Date is extended beyond three (3) cumulative years described in Section 4.4.5 of the LGIP and Article 2.3.1 of this LGIA, such an extension may be considered a Material Modification and result in the termination of the LGIA under Article 2.3.1. Interconnection Customer is required to maintain Site Control while this LGIA is in effect, including during suspension.

5.17 Taxes:

To the extent that Transmission Provider becomes subject to Federal income taxation, the following provisions within this Article 5.17 shall apply:

5.17.1 Interconnection Customer Payments Not Taxable:

The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Provider for the installation of Transmission Provider's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants:

In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Transmission Provider for Transmission Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Transmission Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Transmission Provider's request, Interconnection Customer shall provide Transmission Provider with a report from an independent engineer confirming its representation in clause (iii), above. Transmission Provider represents and covenants that the cost of Transmission Provider's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Provider:

Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify

and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments, property transfers, or its use of the Transmission Provider's Interconnection Facilities or the Transmission System by Interconnection Customer under the terms and conditions of this LGIA, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Transmission Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Transmission Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation; provided, however, that Transmission Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Provider (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten-year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount:

Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Transmission Provider, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Transmission Provider ("Current Taxes") on the excess of (a) the gross income realized by Transmission Provider as a result of payments

or property transfers made by Interconnection Customer to Transmission Provider under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Transmission Provider to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Transmission Provider's composite federal and state tax rates at the time the payments or property transfers are received and Transmission Provider will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Transmission Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Transmission Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: (Current Tax Rate x (Gross Income Amount – Present Value of Tax Depreciation))/(1-Current Tax Rate). Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law:

At Interconnection Customer's request and expense, Transmission Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Transmission Provider under this LGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Transmission Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Transmission Provider shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Transmission Provider shall allow Interconnection Customer to attend all meetings with IRS officials about the request

and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events:

If, within 10 years from the date on which the relevant Transmission Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and Transmission Provider retains ownership of the Interconnection Facilities and Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Transmission Provider, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests:

In the event any Governmental Authority determines that Transmission Provider's receipt of payments or property constitutes income that is subject to taxation, Transmission Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Transmission Provider may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Transmission Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Transmission Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Transmission Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from

nationally-recognized tax counsel, selected by Transmission Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Transmission Provider for the tax at issue in the contest.

5.17.8 Refund:

In the event that (a) a private letter ruling is issued to Transmission Provider which holds that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Transmission Provider in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not taxable to Transmission Provider, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Transmission Provider are not subject to federal income tax, or (d) if Transmission Provider receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Transmission Provider pursuant to this LGIA, Transmission Provider shall promptly refund to Interconnection Customer the following:

(i)

Any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable,

(ii)

Interest on any amounts paid by Interconnection Customer to Transmission Provider for such taxes which Transmission Provider did not submit to the taxing authority, calculated in accordance with the methodology set forth in

FERC's regulations at 18 CFR § 35.19a (a)(2)(iii) from the date payment was made by Interconnection Customer to the date Transmission Provider refunds such payment to Interconnection Customer, and

(iii)

With respect to any such taxes paid by Transmission Provider, any refund or credit Transmission Provider receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Transmission Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Transmission Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Transmission Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Transmission Provider's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes:

Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this LGIA. Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be

responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider.

5.17.10 Transmission Owners Who Are Not Transmission Providers:

If Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall be deemed also to refer to and include the Transmission Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed in writing to assume all of the duties and obligations of Transmission Provider under this Article 5.17 of this LGIA.

5.18 Tax Status:

Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this LGIA is intended to adversely affect any Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Tax Exempt and Tax Credit Bonds (as defined in Section 13.6.1 of the LGIP).

5.19 Modification:

5.19.1 General:

Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility.

The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission

Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 Standards:

Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.

5.19.3 Modification Costs:

Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6: Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications:

Prior to the Commercial Operation Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing and measurement may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

6.2 Post-Commercial Operation Date Testing and Modifications:

Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

6.3 Right to Observe Testing:

Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

6.4 Right to Inspect:

Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

Article 7: Metering

7.1 General:

Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from

the Large Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

7.2 Check Meters:

Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

7.3 Standards:

Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.

7.4 Testing of Metering Equipment:

Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check

meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

7.5 Metering Data:

At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

Article 8: Communications

8.1 Interconnection Customer Obligations:

Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 Remote Terminal Unit:

Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication

protocol for the data circuit(s) shall be specified by Transmission Provider and Interconnection Customer shall supply data in accordance with this communication protocol, including but not limited to: (1) real-time analog data which must be telemetered directly to the location(s) specified by Transmission Provider; (2) status points; (3) accumulators; (4) control points; and (5) any other operating data requested by Transmission Provider, and as further detailed in the Business Practice.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation:

Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

8.4 Provision of Data from a Variable Energy Resource:

The Interconnection Customer whose Generating Facility is a Variable Energy Resource shall provide meteorological and forced outage data to the Transmission Provider to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The Transmission Provider and Interconnection Customer whose Generating Facility is a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. The Interconnection Customer whose Generating Facility is a Variable Energy Resource also shall submit data to the Transmission Provider regarding all forced outages to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to the Transmission Provider, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of

the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

Article 9: Operations

9.1 General:

Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 Control Area Notification:

At least three months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider in writing of the Control Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.

9.3 Transmission Provider Obligations:

Transmission Provider shall cause the Transmission System and Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations:

Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.

9.5 Start-Up and Synchronization:

Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.

9.6 Reactive Power and Primary Frequency Response: .

9.6.1 Power Factor Design Criteria:

9.6.1.1 Synchronous Generation:

Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all synchronous generators in the Control Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation:

Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all non-synchronous generators in the Control 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. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of the Final Rule establishing this requirement (Order No. 827).

9.6.2 Voltage Schedules:

Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission Provider's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator

9.6.2.1 Voltage Regulators:

Whenever the Large Generating Facility is operated in parallel with the Transmission System and the voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its voltage regulators in automatic operation. If the Large Generating Facility's voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify the Transmission Provider's system operator, or its designated representative and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System

or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

9.6.3 Payment for Reactive Power:

Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Transmission Provider requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1, provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

9.6.4 Primary Frequency Response:

Interconnection Customer shall ensure the primary frequency response capability of its Large 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 Large Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection 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 NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Large 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 an approved NERC 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 Large 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 Large 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 NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Large Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Interconnection Customer shall operate the Large 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 Large Generating Facilities.

9.6.4.1 Governor or Equivalent Controls:

Whenever the Large Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Large Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider 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 NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Large Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider 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. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to

keep outages of the Large Generating Facility's governor or equivalent controls to a minimum whenever the Large Generating Facility is operated in parallel with the Transmission System.

9.6.4.2 Timely and Sustained Response:

Interconnection Customer shall ensure that the Large 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 Large Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection 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 Large 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. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 Exemptions:

Large 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. Large 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. Interconnection:

Customer interconnecting an electric storage resource shall establish an

operating range in Appendix C of its LGIA 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 C 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 Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection 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 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 Interconnection 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. Interconnection 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.

9.7 Outages and Interruptions:

9.7.1 Outages:

9.7.1.1 Outage Authority and Coordination:

Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 Outage Schedules:

Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider shall compensate Interconnection Customer for up to 50% for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

9.7.1.3 Outage Restoration

If an outage on a Party’s Interconnection Facilities or Network Upgrades adversely affects the other Party’s operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable

Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.7.2 Interruption of Service:

If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

9.7.2.1

The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.7.2.2

Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System;

9.7.2.3

When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

9.7.2.4

Except during the existence of an Emergency Condition, when the

interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider;

9.7.2.5

The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Under-Frequency and Over Frequency Conditions:

The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

9.7.4 System Protection and Other Control Requirements:

9.7.4.1 System Protection Facilities:
Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Transmission Provider's Interconnection Facilities or the Transmission System as a result of the

interconnection of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.

9.7.4.2
Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

9.7.4.3
Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4
Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.

9.7.4.5
Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice.

9.7.4.6
Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection
In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the

removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the Large Generating Facility.

9.7.6 Power Quality

Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

9.8 Switching and Tagging Rules:

Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties:

9.9.1 Purpose of Interconnection Facilities

Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users

If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology.

9.10 Disturbance Analysis Data Exchange:

The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10: Maintenance

10.1 Transmission Provider Obligations:

Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.2 Interconnection Customer Obligations:

Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.3 Coordination:

The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

10.4 Secondary Systems:

Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses:

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities.

Article 11: Performance Obligation

11.1 Interconnection Customer Interconnection Facilities:

Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

11.2 Transmission Provider's Interconnection Facilities:

Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades:

Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible all costs related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.

11.4 Transmission Credits:

11.4.1 Repayment of Amounts Advanced for Network Upgrades:

Transmission Provider is a non-public utility. Transmission Provider and Interconnection Customer agree to waive the crediting policy and reimbursement obligations applicable to public utility transmission providers.

Notwithstanding the foregoing, if an Affected System is identified in the evaluation of the Interconnection Request or Interconnection Service, Interconnection Customer and Affected System Operator will comply with the crediting policy or reimbursement obligations of the Affected System Operator without any cost allocation to Transmission Provider.

If the Large Generating Facility fails to achieve Commercial Operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, the Affected System Operator and Interconnection Customer shall comply with the crediting and reimbursement policy of the Affected System Operator without any cost allocation to Transmission Provider.

11.4.2 Special Provisions for Affected Systems:

Interconnection Customer and Affected System Operator shall enter into an agreement that provides for compliance with the crediting policy or reimbursement obligations of the Affected System Operator without any such costs being allocated to or imposed upon Transmission Provider.

11.4.3 Reserved

11.5 Provision of Security:

At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes.

In addition:

11.5.1:

The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

11.5.2:

The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.5.3:

The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation:

If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power) or 13.5.1 of this LGIA,

Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition:

Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

Article 12: Invoice

12.1 General:

Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice:

Within six months after completion of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an invoice of the final cost of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to

Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment:

Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.

12.4 Disputes:

In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute; provided however, if Interconnection Customer opts to utilize an escrow account Interconnection Customer shall be responsible for all administrative and financial obligations associated with setting up and maintaining the independent escrow account until resolution of the dispute without any involvement of or reimbursement by Transmission Provider. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accordance with the methodology set forth in FERC regulations at 18 C.F.R. § 35.19a(a)(2)(iii).

Article 13: Emergencies

13.1 Definition:

"Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case

of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by this LGIA to possess black start capability.

13.2 Obligations:

Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

13.3 Notice:

Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.4 Immediate Action:

Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System.

13.5 Transmission Provider Authority:

13.5.1 General:

Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 Reduction and Disconnection:

Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good

Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority:

Consistent with Good Utility Practice and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.7 Limited Liability:

Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14: Regulatory Requirements and Governing Law

14.1 Regulatory Requirements:

Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law:

14.2.1:

The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by and enforced in accordance with the laws of the State of California, as if executed and to be performed wholly within the State of California.

14.2.2:

This LGIA is subject to all Applicable Laws and Regulations.

14.2.3:

Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

Article 15: Notices:

15.1 General:

Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments:

Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice:

Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice:

Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16: Force Majeure

16.1 Force Majeure:

16.1.1:

A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence (which does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to the additional requirement of a Force Majeure Written Notice set forth in Article 16.1.2.

16.1.2:

A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall provide the Force Majeure Immediate Notice pursuant to Article 16.1.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance

or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set forth above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

Article 17: Default

17.1 Default:

17.1.1 General:

No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the Breaching Party. Except as provided in Article 17.1.2, the Breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the Breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2 Right to Terminate:

If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this LGIA.

Article 18: Indemnity, Consequential Damages and Insurance

18.1 Indemnity:

The Parties shall at all times indemnify, defend, and hold harmless the other Parties, their respective officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, death, bodily injury or personal injury to any person, damage or destruction to any property (financial, physical, or intellectual) by or to third parties (collectively, "Losses") arising by reason of or incident to or directly or indirectly related to the other Party's acts, errors or omissions, performance or non-performance or Breach of any of their obligations of or under this LGIA, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

18.2 Consequential Damages:

In no event shall either Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, business interruption, 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.

18.3 Insurance – Applicable Terms and Conditions:

18.3.1 Additional Insured Status Required:

Interconnection Customer shall procure at its own expense, and keep in effect at all times during the term of this Agreement, the types and amounts of insurance specified on the attached Contract Insurance Requirements page. The insurance shall also by specific endorsement(s) attached to such policies, include, the City of Los Angeles (the "City") Transmission Provider, its Board of Commissioners (hereinafter referred to as "Board"), and all of its officers, employees and agents, their successors and assigns, as Additional Insureds (except for Worker's Compensation) against the area of risk described herein as respects Interconnection Customer's acts or omissions in its performance of the agreement, hereunder or other related functions performed by or on behalf of Interconnection Customer. Such insurance shall not limit or qualify the liabilities and obligations of the

Interconnection Customer assumed under the contract.

18.3.2 Severability of Interests and Cross Liability Required:

Each specified insurance policy (other than Workers' Compensation and Employers' Liability and Property coverage) shall contain a Severability of Interest and Cross Liability clause which states in effect, "It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability," and a Contractual Liability Endorsement which shall state in effect, "Such insurance as is afforded by this policy shall also apply to liability assumed by the insured under this Agreement with the City of Los Angeles."

18.3.3 Primary and Non-Contributory Insurance Required:

All such insurance shall be Primary and Noncontributing with any other insurance held by Transmission Provider where liability arises out of or results from the acts or omissions of Interconnection Customer, its agents, employees, officers, assigns, or any person or entity acting for or on behalf of Interconnection Customer. Any insurance carried by Transmission Provider which may be applicable shall be deemed to be excess insurance and the Interconnection Customer's insurance is primary for all purposes despite any conflicting provision in the Interconnection Customer's policies to the contrary.

18.3.4 Deductibles Subject to Transmission Provider's Discretion:

Deductibles and/or self-insured retentions shall be at the sole discretion of the Transmission Provider's Risk Manager. The Transmission Provider shall have no liability for any premiums charged for such coverage(s). The inclusion of the Transmission Provider, its Board, and all of its officers, employees and agents, and their agents and assigns, as additional insureds, is not intended to, and shall not, make them, or any of them a partner or joint venturer with Interconnection Customer in its operations.

18.3.5 Proof of Insurance for Renewal or Extension Required:

At least thirty (30) days after the expiration date of any of the policies required on the attached Contract Insurance Requirement page, documentation showing that the insurance coverage has been renewed or extended shall be filed with the Transmission Provider. If such coverage is canceled or reduced in coverage,

Interconnection Customer shall, within fifteen (15) days of such cancellation or reduction of coverage, file with Transmission Provider evidence that the required insurance has been reinstated or provided through another insurance company or companies.

18.3.6 Submission of Acceptable Proof of Insurance and Notice of Cancellation:

Interconnection Customer shall provide proof to the Transmission Provider's Risk Manager of all specified insurance and related requirements using either an Acord certificate of insurance along with any required scheduled endorsements, or using the Transmission Provider's own endorsement form(s) or using other written evidence of insurance acceptable to the Transmission Provider's Risk Manager, but always in a form acceptable to the Transmission Provider's Risk Manager. The documents evidencing all specified coverages shall be filed with the Transmission Provider prior to Interconnection Customer beginning operations hereunder. Said proof shall contain at a minimum, the applicable policy number, the inclusive dates of policy coverages, the date the specified endorsement for the Transmission Provider was attached to a specific policy, and the insurance carrier's name. It shall provide that such insurance shall not be subject to cancellation, material reduction in a required coverage or non-renewal (other than for non-payment) except after written notice by first class mail or electronic mail to the Transmission Provider's Risk Manager at least (30) calendar days prior to the effective date thereof. The notification shall be sent by first class or electronic mail to:

The Risk Management Section,
Los Angeles Department of Water and Power,
Post Office Box 51111, JFB Room 465,
Los Angeles, California 90051-0100.
Riskmanagement.Risky@ladwp.com

18.3.7 Claims-Made Insurance Conditions:

Should any portion of the required insurance be on a "Claims Made" policy, the Interconnection Customer shall, at the policy expiration date following completion of work, provide evidence that the "Claims Made" policy has been renewed or replaced with the same limits, terms and conditions of the expiring policy, or that an extended three (3) years discovery period has been purchased on the expiring policy at least for the contract under which the work was performed.

18.3.8 Failure to Maintain and Provide as Cause for Termination:

Failure to maintain and provide acceptable evidence of the required insurance for the required period of coverage shall constitute a breach of contract, upon which Transmission Provider may immediately terminate or suspend the agreement.

18.3.9 Periodic Right to Review/Update Insurance Requirements:

The Transmission Provider and Interconnection Customer agree that the insurance policy limits specified on the attached Contract Insurance Requirements page may be reviewed for adequacy annually throughout the term of this Agreement by the Transmission Provider's Risk Manager/City Attorney, who may thereafter require Interconnection Customer to adjust the amounts and types of insurance coverage however the Transmission Provider's Risk Manager/City Attorney deems to be adequate and necessary. Transmission Provider reserves the right to have submitted to it, upon request, all pertinent information about the agent and carrier providing such insurance, including applicable license and ratings.

18.3.10 Specific Insurance Requirements:

See Attachment "Contract Insurance Requirements."

18.3.11 Sub-Contractor Compliance:

Interconnection Customer shall be responsible for all sub-contractors'. Interconnection Customer shall require all subcontractors performing any work to maintain insurance limits in accordance with Interconnection Customer's standard agreements with such subcontractors.

18.3.12 Limitation of Liability and Release:

TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

18.3.13 Reporting:

The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

Article 19: Assignment

19.1 Assignment:

This LGIA may be assigned by either Party only with the written consent of the other; provided that, either Party may assign this LGIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that Interconnection Customer shall have the right to assign this LGIA, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s), including providing the Transmission Provider with proof that it meets the requirements of Articles 11.5 and 18.3.

Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed. The General Manager of DWP, and/or his/her designee, is authorized to grant the consents contemplated by this Article 19.1 on behalf of LADWP.

Article 20: Severability

20.1 Severability:

If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21: Comparability

21.1 Comparability:

The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

Article 22: Confidentiality

22.1 Confidentiality:

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

22.1.1 Term:

During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope:

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 Release of Confidential Information:

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the

confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.1.4 Rights:

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5 No Warranties:

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 Standard of Care:

Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this LGIA or its regulatory requirements.

22.1.7 Order of Disclosure:

If a court or a Governmental Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts

to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 Termination of Agreement:

Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9 Remedies:

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 Disclosure to FERC, its Staff, or a State:

Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential

Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

22.1.11:

Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

22.1.12 CPRA, Brown Act:

In addition to the foregoing provisions under this Article 22, Interconnection Customer acknowledges that Transmission Provider is subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§6250 et seq. ("CPRA") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 et. seq. ("Brown Act"). Requests for information made directly to Transmission Provider pursuant to CPRA will be managed in a similar manner identified within Article 22.1.11. For purposes of the Brown Act, the Parties shall adhere to the provisions of Article 22.1 to maintain confidentiality.

Article 23: Environmental Releases

23.1:

Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24: Information Requirements

24.1 Information Acquisition :

Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Transmission Provider:

The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer:

The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the

Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Cluster Study and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on Transmission Provider's Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation:

Prior to the Commercial Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to Transmission Provider for each individual generating unit in a station.

Subsequent to the Commercial Operation Date, Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Article 25: Information Access and Audit Rights

25.1 Information Access:

Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.

25.2 Reporting of Non-Force Majeure Events:

Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.

25.3 Audit Rights:

Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider's efforts to allocate

responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods:

25.4.1 Audit Rights Period for Construction-Related Accounts and Records:

Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following Transmission Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records:

Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results:

If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

Article 26: Subcontractors

26.1 General:

Nothing in this LGIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and

conditions of this LGIA in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

26.2 Responsibility of Principal:

The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance:

The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27: Disputes

27.1 Submission:

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the LGIA, the LGIP, 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 Notice of Dispute shall not be deemed a waiver of the requirements of, nor construed as compliance with, California Government Code Section 910 et seq., or any successor statute.

Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA; provide that, any dispute arising out of or relating to this LGIA shall be brought in a state or federal

court in the County of Los Angeles in the State of California. Each Party irrevocably agrees to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens*.

27.2 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"); provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

27.3 Arbitration Decisions:

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the LGIA and LGIP and shall have no power to modify or change any provision of the LGIA and LGIP 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.

27.4 Costs:

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

Article 28: Representations, Warranties, and Covenants

28.1 General: Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing:

Such Party is duly organized, validly existing and, in the case of the Interconnection Customer, in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has legal power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

28.1.2 Authority:

Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law), and, in the case of the Transmission Provider, the limitations on legal remedies against municipal corporations in the State of California.

28.1.3 No Conflict

The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 Consent and Approval

Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any

Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required byApplicable Laws and Regulations.

Article 29: Joint Operating Committee

29.1 Joint Operating Committee:

Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

29.1.1:

Establish data requirements and operating record requirements.

29.1.2:

Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

29.1.3:

Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.

29.1.4:

Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.

29.1.5:

Ensure that information is being provided by each Party regarding equipment availability.

29.1.6:

Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 30: Miscellaneous

30.1 Binding Effect:

This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts:

In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation:

This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document,

instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

30.4 Entire Agreement:

This LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this LGIA.

30.5 No Third-Party Beneficiaries:

This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

30.6 Waiver:

The failure of a Party to this LGIA to insist, on any occasion, upon strict performance of any provision of this LGIA will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by either Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider. Any waiver of this LGIA shall, if requested, be provided in writing.

30.7 Headings:

The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

30.8 Multiple Counterparts:

This LGIA may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

30.9 Amendment:

The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.

30.10 Modification by the Parties:

The Parties may by mutual agreement amend the Appendices to this LGIA by an instrument duly executed by the Parties. Such written amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reserved:

30.12 No Partnership:

This LGIA shall not be interpreted or construed to create an association, joint

venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

IN WITNESS WHEREOF, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

**DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS**

By:_____
General Manager

Date: _____

And: _____
Board Secretary

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

APPENDIX A TO LGIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades:

1: Interconnection Facilities

(a): [insert Interconnection Customer's Interconnection Facilities]

(b): [insert Transmission Provider's Interconnection Facilities]

2: Network Upgrades

(a): [insert Stand Alone Network Upgrades]:

(b): [insert Other Network Upgrades]:

3: Distribution Upgrades:

APPENDIX B TO LGIA

Milestones

APPENDIX C TO LGIA

Interconnection Details:

1: Interconnection Details

(a): [insert Interconnection Details]

2: Control Technologies and Protection Systems

(a): [insert control technologies and protection systems]

3: Actions and Obligations When Output Is Exceeding the Interconnection Service Level

If the Generating Facility is exceeding its contracted Level of Interconnection Service, Transmission Provider will contact the Generator Operator and/or Generating Facility's Balancing Authority and issue an Operating Instruction to return the output to the contracted Level of Interconnection Service. If the Generator Operator and/or Generating Facility's Balancing Authority has not begun to reduce the Generating Facility's output to the contracted Level of Interconnection Service within the time period specified in the Operating Instruction, Transmission Provider can take action up to and including disconnection of the Generating Facility from the Transmission System at the Point of Interconnection.

APPENDIX D TO LGIA

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect that all Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

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APPENDIX E TO LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

[Date]

[Transmission Provider Address]

Re: _____ Large Generating Facility

Dear _____:

On **[Date] [Interconnection Customer]** has completed Trial Operation of Unit No. ___. This letter confirms that [Interconnection Customer] commenced Commercial Operation of Unit No. ___ at the Large Generating Facility, effective as of **[Date plus one day]**.

Thank you.

[Signature]

[Interconnection Customer Representative]

APPENDIX F TO LGIA
Addresses for Delivery of Notices and Billings

Notices:

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Billings and Payments:

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

APPENDIX G:
INTERCONNECTION REQUIREMENTS FOR A NON-SYNCHRONOUS GENERATING PLANT

Appendix G sets forth requirements and provisions specific to a Non-Synchronous generating plant. All other requirements of this LGIA continue to apply to Non-Synchronous generating plant interconnections

A: Technical Standards Applicable to a Wind Generating Plant

Low Voltage Ride-Through (LVRT) Capability:

A Non-Synchronous 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.

Post-transition Period LVRT Standard

All Non-Synchronous generating plants subject to FERC Order No. 661 and covered by the transition period described above must meet the following requirements:

1. Non-Synchronous 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 Non-Synchronous generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the Non-Synchronous 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 Non-Synchronous generating plant may disconnect from the transmission system. A Non-Synchronous 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 Non-Synchronous "GSU".

2. This requirement does not apply to faults that would occur between the Non-Synchronous generator terminals and the high side of the GSU.

3. Non-Synchronous generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Non-Synchronous 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 Non-Synchronous generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

i. Power Factor Design Criteria (Reactive Power):

The following reactive power requirements apply only to a newly interconnecting wind generating plant that has executed a Facilities Study Agreement as of the effective date the Final Rule establishing the reactive power requirements for non-synchronous generators in section 9.6.1 of this LGIA (Order No. 827). A Non-Synchronous generating plant to which this provision applies shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, if the Transmission Provider's Cluster Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the Non-Synchronous plant is in operation. Non-Synchronous 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.

ii. Supervisory Control and Data Acquisition (SCADA) Capability:

The Non-Synchronous plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the Non-Synchronous plant Interconnection Customer shall determine what SCADA information is essential for the proposed Non-Synchronous 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.

APPENDIX 7 TO LGIP

INTERCONNECTION PROCEDURES FOR A

NON-SYNCHRONOUS GENERATING FACILITY

This appendix sets forth procedures specific to all Non-Synchronous generating facilities. All other requirements of this LGIP continue to apply to interconnections of Non-Synchronous facilities

A. Special Procedures Applicable to Non-Synchronous Generation Facilities

The Interconnection Customer, in completing the Interconnection Request required by section 3.3 of this LGIP, may provide to the Transmission Provider a set of preliminary electrical design specifications depicting the Non-Synchronous generating facility in terms of its megawatt output (MW or real power). Upon satisfying these and other applicable Interconnection Request conditions, the Non-Synchronous generating facility 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 Interconnection Customer must submit the following: (i) completed detailed electrical design specifications; (ii) a WECC approved standard study model (standard model) if available. If the standard model for a given technology is not yet available, then the Interconnection Customer can provide vendor-specific, user-written or an equivalent model with a source code algorithm in General Electric's Engineer Programming Control Language (EPCL) that can be compiled at run time by Power System Load Flow (PSLF) platform's internal compiler; however, once a standard model becomes available, the Interconnection Customer should begin furnishing such standard model; and (iii) other data (including collector system layout data) needed to allow the Transmission Provider to complete the Cluster Study. If Non-Synchronous facility uses momentary cessation, considerations should be made to eliminate momentary cessation. If eliminating momentary cessation is not a feasible solution the model submitted must reasonably represent the momentary cessation according to WECC and NERC guidelines. Interconnection customer shall provide a model that reasonably represent the facility according to WECC guidelines 90 days prior to in service date and an "as-built" model for Non-Synchronous facility prior to Commercial Operation Date.

Attachment A to Appendix 7
Interconnection Data for
Non-Synchronous Generating Plants

Solar Photovoltaic (PV) Specifications

Technologies: ___Thin Film PV ___Monocrystalline PV ___Polycrystalline PV ___Other (Specify below)

_____

Manufacturer, Model Name, and Number_____
Total Number of PV Panels _____
Rated Maximum Power Output (kW) _____Summer _____Winter
Nominal Voltage (DC) _____V

Wind Specifications

Technologies: ___Type I ___Type II ___Type III ___Type IV
Other (Specify below)

_____

Manufacturer, Model Name, and Number_____
Total Number of turbines _____
Rated Maximum Power Output (kW) _____Summer _____Winter
Nominal Voltage (DC) _____V

Energy Storage Specifications

Technologies: _____
Duration _____hrs
If Project is PV and Storage: DC Coupled___ AC Coupled_____
Rated Maximum Power Output (kW) _____Summer _____Winter
Nominal Voltage (DC) _____V

OATT Effective [Insert]

Inverter Specifications

Manufacturer, Model Name, and Number_____
Version Number_____
Total Number of Inverters _____
Voltage (DC) Input Range _____V
Maximum Voc (DC) _____V
Number of Phases _____
AC Voltage Range _____V
Maximum Output Current per Phase _____A
Maximum Continuous Output Power _____kW
Nominal Output Frequency _____Hz
Power Factor _____
Total Harmonic Distortion (THD) _____%
Momentary Cessation used _____
High Voltage Momentary Cessation threshold _____pu
Low Voltage Momentary Cessation threshold _____pu
Time delay before inverter begins injecting current after momentary cessation, once the voltage has returned to within the momentary cessation voltage threshold
_____(milliseconds)
Ramp rate when recovering from momentary cessation _____(%nameplate rating/sec)

High-Voltage Ride-Through (HVRT)		Low-Voltage Ride-Through (LVRT)	
Voltage (pu)	Time Delay (sec)	Voltage (pu)	Time Delay (sec)

High-Frequency Ride-Through (HFRT)		Low-Frequency Ride-Through (LFRT)	
Frequency (Hz)	Time Delay (sec)	Frequency (Hz)	Time Delay (sec)

Isolation Transformer Specifications

Low Side and High Side Voltages _____/_____kV
MVA Base _____MVA Continuous Rating _____MVA
Emergency Rating _____MVA Reactance _____% or _____ p.u
Transformer Connection _____ Number of Transformers _____

Equipment Certifications

List the above components of the Solar Facility that are currently certified:

Equipment Type	Certifying Entity
1._____	_____
2._____	_____
3._____	_____

Certification and Standards

1. IEEE Std 519-2014, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems.
2. UL 1703 Standard for Safety, Flat-Plate Photovoltaic Modules and Panels
3. UL 1741 Standard for Inverters, Converters, and Controllers for Use in Independent Power Systems
4. IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV) Systems.