



Interconnection Agreement Template

This agreement is a form prepared by the US Federal Energy Regulatory Commission (FERC) to as part of its regulations governing the interconnection of small (relative to the US grid) generation projects. The FERC is promoting greater openness of transmission grids and competition in supply resources.

The circumstances in which this agreement is intended to be used and the regulatory and physical characteristics of most CARICOM grids are significantly different. It is unlikely that grid conditions as complicated as those assumed in this agreement, generation facility interconnections involving as many parties, or facilities of the sizes addressed will be encountered. Moreover, the regulatory institutions in most countries of the Caribbean have approached the concept of mandatory interconnection and open competition in generation much more cautiously than the US.

Accordingly, this agreement is presented as an example of a comprehensive interconnection agreement, not a template for regular use with RET projects. It is a resource for provisions relating to most problems one might expect to encounter in an interconnection situation. It is likely more complex than is required for most grid-tied RET projects in the CARICOM region. The PPA template agreement included in Volume II of our Final Report incorporates simpler interconnections provisions that may be sufficient for regional RET projects. If it is not, it can be supplemented using modified provisions from this more comprehensive interconnection document.

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INTERCONNECTION AGREEMENT (SGIA).TABLE OF CONTENTS

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Identification of Parties and Recitals

This agreement is made and entered into this ____ day of _____ 20____, by _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ and having its principal place of business in _____, _____ ("Transmission Provider") and _____, a _____ organized and existing under the laws of the State /Commonwealth of _____ and having its principal place of business in _____, _____ ("Interconnection Customer").

WHEREAS, Interconnection Customer desires to engage in the interconnected operation of its Generating Facility with Transmission Provider's Transmission System;

WHEREAS, Interconnection Customer has applied for and been approved by Transmission Provider for interconnection pursuant to Transmission Provider's Small Generating Facility interconnection process and in accordance with the Standard Small Generator Interconnection Procedures; and

WHEREAS, Parties agree that interconnection of the Generating Facility will be expedited to the greatest extent possible.

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

Article 1. Definitions

When used with initial capitalization, the following terms shall have the meanings specified or referred to below. Terms used in this document with initial capitalization that are not defined below shall have the meanings specified in the section in which they are used or as specified in the Transmission Provider's Open Access Transmission Tariff (OATT), as may be amended from time to time.

Additional Review shall mean a technical evaluation by the Transmission Provider of a proposed interconnection that has failed to pass the Super-Expedited Screening Criteria. The review will determine whether minor modifications to the Transmission Provider's Transmission System (e.g., changing meters, fuses, relay settings) can be performed in order to enable the interconnection to be made safely and reliably.

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.

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.

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.

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

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

Commercial Operation Date of a unit shall mean the date on which the Interconnection Customer commences commercial operation of the unit at the Generating Facility after testing of such unit has been completed.

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 NERC..

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 6.17 of the Standard Small Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

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

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

Effective Date shall mean the date on which the Standard Small Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by the Commission, or if filed unexecuted, upon the date specified by the Commission.

Emergency Condition shall mean a condition or situation: (1) that in the judgement 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 the Interconnection Customer is not obligated by the Standard Small Generator Interconnection Agreement to possess black start capability.

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

Expedited Procedures shall mean the process described in the Standard Small Generator Interconnection Procedures for (1) a Generating Facility no larger than 10 MW interconnecting with a Transmission Provider's Low-Voltage Transmission System, and (2) a Generating Facility failing the Super-Expedited Procedures. The Expedited Procedures use the Expedited Screening Criteria to determine whether the Small Generating Facility can be interconnected without any further Interconnection Studies.

Expedited Screening Criteria shall mean the technical variables that are employed in the Expedited Procedures for evaluating the impact of interconnecting the Small Generating Facility to the Transmission Provider's Transmission System as it exists at the time of the analysis.

Fault Current shall mean the current that is produced by an electrical fault, such as single-phase to ground, double-phase to ground, three-phase to ground, phase-to-phase, and three-phase. The Fault Current is several times larger in magnitude than the current that normally flows through a circuit. A protective device must be able to interrupt this Fault Current within a few cycles. The Fault Current increases when a new generator is interconnected.

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

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

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

Generating Facility shall mean Interconnection Customer's device for the production 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.

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.

High-Voltage shall mean voltage levels at or above 69 kV.

IEEE shall mean the Institute of Electrical and Electronics Engineers.

Initial Review shall mean the Transmission Provider's review of the Interconnection Customer's Interconnection Request using the Super-Expedited Screening Criteria described in Section 3 of the Standard Small Generator Interconnection Procedures.

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

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

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix 2 of the Standard Small 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 or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Transmission

Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined the Standard Small Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Small 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 the Standard Small Generator Interconnection Procedures.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Small Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 6 to the Standard Small 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.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Small Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Small 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 Standard Small Generator Interconnection Procedures..

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 4 of the Standard Small Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Low-Voltage shall mean voltage levels below 69 kV. |

Material Modification shall mean a modification that has a material impact on the cost

or timing of any Interconnection Request with a later queue priority date.

Milestones shall mean the events and associated dates listed in Appendix 3 of the Standard Small Generator Interconnection Agreement. The Milestones describe events that are to be met by either Party as the Generating Facility proceeds to interconnection and Parallel Operation.

MW shall mean the abbreviation for megawatts, which is used to describe the capacity of a generating facility.

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

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 Customer interconnects to the Transmission Provider's Transmission System to accommodate the interconnection of the Generating Facility to the Transmission Provider's Transmission System.

Operating Requirements shall mean any operating and technical requirements that may be applicable due to Regional Transmission Organization, Independent System Operator, Control Area, or Transmission Provider requirements, including those set forth in Appendix 4 of the Standard Small Generator Interconnection Agreement.

Parallel Operation shall mean the two-way flow of power between a generator and a Transmission System. Generators that operate in parallel with a Transmission System require additional protection and control devices. This may be contrasted with a stand-alone generator that operates isolated from the utility company's electric system.

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 2 of the Standard Small Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Common Coupling shall mean the point in the interconnection of the Generating Facility with Transmission Provider's Transmission System at which the harmonic limits are applied.

Point of Interconnection shall mean the point, as set forth in Appendix 2 of the Standard Small Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Precertified shall describe a Generating Facility if an identical sample of the manufacturer's model has been submitted to a national testing laboratory and found, after appropriate testing, to be in compliance with applicable consensus industry operational and safety standards.

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 the valid Interconnection Request by the Transmission Provider.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard 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.

Rules shall mean the rules promulgated by FERC relating to the interconnection of

generators.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Secondary Network shall mean a type of Low-Voltage electric system that is generally used in large metropolitan areas that are densely populated in order to provide high reliability of service (also known as secondary grid network or area network).

Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility, (2) an option to purchase or acquire a leasehold site for such purpose, or (3) an exclusivity or other business relationship between 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.

Small Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of no more than 20 MW.

Standard Small Generator Interconnection Agreement (SGIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Small Generating Facility, that is included in the Transmission Provider's Tariff.

Standard Small Generator Interconnection Procedures (SGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Small Generating Facility that are included in the Transmission Provider's Tariff.

Spot Network shall mean a type of Low-Voltage system found within modern commercial buildings to provide high reliability of service. Spot Networks generally use 12 kV to 480/277 volt vaults on site.

Super-Expedited Procedures shall mean the process described in Section 3 of the Standard Small Generator Interconnection Procedures for Generating Facilities no larger than 2 MW interconnecting with Transmission Provider's Low-Voltage Transmission System. The Super-Expedited Procedures use the Super-Expedited Screening Criteria to determine whether the proposed interconnection may cause an Adverse System Impact on Transmission Provider's Transmission System.

Super-Expedited Screening Criteria shall mean the technical variables that are employed in the Super-Expedited Procedures for evaluating the interconnection of a Small Generating Facility no larger than 2 MW to a Transmission Provider's Low-Voltage Transmission System.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

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

Technical Master shall mean a person, as described in Article 8 of the Standard Small Generator Interconnection Agreement, with relevant technical experience selected to adjudicate disputes between the Parties.

Term shall mean the duration of the Standard Small Generator Interconnection Agreement.

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

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

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix 2 of the Standard Small Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. The Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

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

Upgrades shall mean 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.

Article 2. Scope and Limitations of Agreement

2.1 Scope and Limitations of Agreement. Transmission Provider and Interconnection Customer agree to interconnect the Generating Facility at the location described in Appendices 1 and 2 to this agreement, in accordance with this agreement. This agreement governs the facilities required to interconnect the Generating Facility to Transmission Provider's Transmission System and contains the terms and conditions under which Interconnection Customer may interconnect the Generating Facility, as described in Appendices 1 and 2, and to operate in parallel with Transmission Provider's Transmission System. This agreement does not authorize Interconnection Customer to export power or constitute an agreement to purchase or wheel Interconnection Customer's power. The export, purchase, or wheeling of power and other services that Interconnection Customer may require from Transmission Provider will be covered under separate agreements and nothing in this agreement is intended to affect any other agreement between Transmission Provider and Interconnection Customer. Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with Transmission Provider, distribution provider, Independent System Operator, or Regional Transmission Organization (as applicable).

2.2 Responsibilities of the Parties.

2.2.1 The Parties shall perform all obligations of this agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.

2.2.2 Interconnection Customer shall construct, interconnect, operate and maintain its Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, in compliance with all aspects of the Rules, in accordance with this agreement, and with Good Utility Practice.

2.2.3 Transmission Provider shall construct, operate, and maintain its Transmission System and Interconnection Facilities in compliance with all aspects of the Rules, in accordance with this agreement, and with Good Utility Practice.

2.2.4 Interconnection Customer agrees to cause its facilities or systems to be constructed 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. Interconnection Customer agrees to design, install, maintain, and operate, or cause the design, installation, maintenance, and operation of the Generating Facility so as to reasonably minimize the likelihood of a disturbance, originating on the system or equipment affecting or impairing the system or equipment of Transmission Provider, or Affected Systems.

2.2.5 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 Appendices 1 and 2 of 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. Transmission Provider and Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect 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 Appendices 1, 2, 4, and 5 of this agreement.

2.2.6 Transmission Provider shall negotiate with all Affected Systems in support of Interconnection Customer's interconnection needs.

2.3 Parallel Operation Obligations. Once the Generating Facility has been authorized to commence Parallel Operation, Interconnection Customer shall abide by all rules and procedures pertaining to the Parallel Operation of the Generating Facility in the applicable Control Area, including, but not limited to, the rules and procedures concerning the operation of generation set forth in the Tariff or by the system operator for Transmission Provider's Transmission System and the Operating Requirements set forth in Appendix 4 of this agreement.

2.4 Metering. Interconnection Customer will be responsible for 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 Appendices 1 and 2 of this agreement. Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and operating requirements.

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

3.1 Equipment Testing and Inspection.

3.1.1 Interconnection Customer shall perform operational testing and inspection of the Generating Facility and Interconnection Facilities prior to interconnection. No fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection, Interconnection Customer shall notify Transmission Provider of such activities. Testing and inspection shall occur on a Business Day. Transmission Provider may send qualified personnel to the Generating Facility site to inspect the interconnection and observe the Generating Facility's testing. Interconnection Customer shall provide Transmission Provider a written test report when such testing and inspection is completed.

3.1.2 Upon completion of such operational testing and inspection and receipt of the written report, Transmission Provider shall provide to Interconnection Customer written acknowledgment that it has received Interconnection Customer's written report; provided, however, any such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by Transmission Provider of the safety, durability, suitability, or reliability of the Generating Facility or any associated control, protective, and safety devices owned or controlled by Interconnection Customer or the quality of power produced by the Generating Facility.

3.2 Authorization Required Prior To Parallel Operation. Transmission Provider will use its best efforts to identify any requirements applicable to safe and reliable Parallel Operation and to notify Interconnection Customer of any changed or additional requirements as soon as they are known. Transmission Provider will cooperate with Interconnection Customer in addressing and meeting such requirements (including information and study requirements), and to obtain appropriate notifications that such requirements are met. Interconnection Customer will notify Transmission Provider once it has complied with all such requirements. Upon such notification, Transmission Provider will provide Interconnection Customer with written authorization to operate the Generating Facility in parallel with Transmission Provider's Transmission System. Such authorization shall not be unreasonably withheld, conditioned or delayed.

3.3 Right of Access. Upon reasonable notice, and subject to any required or necessary regulatory approvals, Interconnection Customer shall furnish to Transmission Provider at no cost, and as agreed upon by all Parties, any rights of use, licenses, rights of way, or easements with respect to lands owned or controlled by Interconnection Customer and its agents that are necessary to enable Transmission Provider to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (1) interconnect the Generating Facility with Transmission Provider's Transmission System, (2) operate and

maintain the Generating Facility, Interconnection Facilities (if required), and Transmission Provider's Transmission System, and (3) disconnect or remove Interconnection Customer's facilities and equipment upon termination of this agreement. In exercising such licenses, rights of way, and easements, Transmission Provider shall not unreasonably disrupt or interfere with normal operation of Interconnection Customer's property and shall adhere to all applicable safety rules and procedures. In the event of Emergency Conditions or hazardous conditions, Transmission Provider and Interconnection Customer shall exercise all Reasonable Efforts to comply with these provisions.

Article 4. Effective Date, Term, Termination, and Disconnection

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

4.2 Term of Agreement. This agreement shall be effective on the Effective Date and shall remain in effect for a period of ten years from the Effective Date or such other longer period as the Parties may agree and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with Article 4.3 of this agreement.

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

4.3.1 Interconnection Customer may terminate this agreement at any time by giving Transmission Provider thirty Calendar Days written notice.

4.3.2 In the event that there is a material change in Applicable Laws and Regulations that would prevent Transmission Provider from performing its obligations under this agreement or would impose a substantial additional cost upon Transmission Provider to perform its obligations under this agreement, and for which cost Transmission Provider is not reimbursed by Interconnection Customer or any other party, Transmission Provider may terminate this agreement by giving Interconnection Customer at least thirty Calendar Days prior written notice.

4.4 Temporary Disconnection.

4.4.1 Emergency Conditions. Under Emergency Conditions, Transmission Provider shall have the right to immediately suspend Interconnection Service and temporarily disconnect the Generating Facility. Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects the Generating Facility or Transmission Provider's Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Generating Facility. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an emergency condition that may reasonably be expected to affect Transmission Provider's Transmission System or other Affected Systems. To the extent information is known, the notification shall describe the

Emergency Condition, the extent of the damage or deficiency, or the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

4.4.2 Routine Maintenance, Construction and Repair. Transmission Provider shall have the right to interrupt Interconnection Service or curtail the output of the Generating Facility and temporarily disconnect the Generating Facility from Transmission Provider's Transmission System when necessary for routine maintenance, construction, and repairs on Transmission Provider's Transmission System. Transmission Provider shall provide Interconnection Customer with five Business Days notice prior to such interruption. Transmission Provider shall use its

best efforts to coordinate such reduction or temporary disconnection with Interconnection Customer.

4.4.3 Forced Outages. During any forced outage of Interconnection Customer's facilities, Transmission Provider shall have the right to suspend Interconnection Service to effect immediate repairs on Transmission Provider's Transmission System; provided, however, Transmission Provider shall use its best efforts to provide Interconnection Customer with prior notice. If prior notice is not given, Transmission Provider will provide Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

4.4.4 Adverse Operating Effects. Transmission Provider shall notify Interconnection Customer that operation of the Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system or if operating the Generating Facility could cause damage to Transmission Provider's Transmission System or Affected Systems. If, after notice to Interconnection Customer has been provided and a reasonable time to correct such adverse operating effect has elapsed, consistent with the conditions, and Interconnection Customer has failed to make such corrections, Transmission Provider may disconnect the Generating Facility. Transmission Provider shall provide Interconnection Customer with five Business Days notice prior to such disconnection.

4.4.5 Modification of the Generating Facility. Interconnection Customer must receive written authorization from Transmission Provider before making any Material Modification to the Generating Facility. If Interconnection Customer makes such modification without Transmission Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Generating Facility. Such authorization shall not be unreasonably withheld.

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

Article 5. Cost Responsibility, Milestones, Billing, and Payment

5.1 Cost Responsibility.

5.1.1 Interconnection Facilities. Interconnection Customer will pay for the cost of Interconnection Facilities itemized in Appendix 1 of this agreement. Transmission Provider will 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 Interconnection Customer, such other entities, and Transmission Provider.

5.1.2 Network Upgrades. Transmission Provider or Transmission Owner shall design, procure, construct, install, and own Network Upgrades described in Appendix 5 of this agreement. Unless Transmission Provider or Transmission Provider elect to initially pay for such facilities, the actual cost of the Network Upgrades, including overheads, shall be borne by Interconnection Customer.

5.1.2.1 Refund of Amounts Advanced for Network Upgrades. Interconnection Customer shall be entitled to a refund, equal to the total amount paid to Transmission Provider and Affected Systems, if any, for the Network Upgrades with interest, including

any tax gross-up or other tax-related payments, to be paid to Interconnection Customer on a dollar-for-dollar basis, for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected Systems' Tariffs. Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and any Affected Systems may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and any Affected Systems refund all amounts paid by Interconnection Customer, with interest, within five years from the Commercial Operation Date. Transmission Provider and any Affected Systems shall provide refunds to Interconnection Customer only after commercial operation of the Generating Facility has been demonstrated. If the Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time provide refunds to Interconnection Customer for the amounts advanced for the Network Upgrades. Any refund shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR §35.19a(a)(2)(ii) from the date of any payment for Network Upgrades through the date on which Interconnection Customer receives a refund of such payment pursuant to this subparagraph. Interconnection Customer may assign such refund rights to any person.

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 Interconnection Customer shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain refunds or transmission credits for transmission service that is not associated with the Generating Facility.

5.1.3 Distribution Upgrades. Transmission Provider or Transmission Provider shall design, procure, construct, install, and own the distribution Upgrades described in Appendix 5 of this agreement. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to Interconnection Customer.

5.1.4 Operating and Maintenance Expenses. Subject to the provisions herein addressing the use of facilities by others, and except for operating and maintenance expenses associated with modifications made for providing 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 its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing Transmission Provider's Interconnection Facilities.

5.1.5 General. If the Parties agree that the Generating Facility benefits Transmission Provider's Transmission System, Interconnection Customer's cost responsibility for Transmission Provider's Interconnection Facilities or Upgrades will be reduced commensurate with such benefit. Benefits must be measurable and verifiable.

Where multiple Interconnection Requests require Upgrades to Transmission Provider's Transmission System, Interconnection Customers will be assigned costs or benefits separately where impacts can be separately attributed to respective projects. Where such attribution is not possible, Interconnection Customers will share costs or benefits in proportion to their projected

Generating Facility capacities.

5.2 Financial Security Arrangements. At least thirty Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider Interconnection Facilities and 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 where the Point of Interconnection is located. 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 Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider under this agreement during its Term. In addition:

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

5.3 Milestones. Parties shall agree on milestones for which each Party is responsible and list them in Appendix 3 of this agreement. A Party's obligations under this provision may be extended by agreement.

5.3.1 If Interconnection Customer fails to meet agreed milestones for which it is responsible, other than for reasons of Force Majeure, its responsibility for costs incurred to that point by Transmission Provider will increase at the rate of interest calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR §35.19a(a)(2)(ii) from the date of failure until the date the Milestone is met.

5.3.2 If Transmission Provider fails to meet agreed milestones for which it is responsible, other than for reasons of Force Majeure, Interconnection Customer will be credited interest for costs incurred to that point (including the Interconnection Request processing fee and study costs incurred under the Standard Small Generator Interconnection Procedures) calculated at the rate in accordance with the methodology set forth in FERC's regulations at 18 CFR §35.19a(a)(2)(ii)

from the date of failure until the date the Milestone is met.

5.4 Billing and Payment. Billing and payment obligations for services rendered, for which Interconnection Customer is responsible under this agreement shall be performed in accordance with Transmission Provider's Tariff or in accordance with the terms of this agreement.

5.4.1 Billing Procedure for Interconnection Facilities Construction. Transmission Provider shall bill Interconnection Customer for monthly expenditures for the design, engineering and construction of, or for other charges related to, Interconnection Facilities contemplated by this agreement. Interconnection Customer shall pay each bill within thirty Calendar Days after receipt thereof.

5.4.2 Final Accounting. Within forty-five Calendar Days after completion of the construction and installation of Transmission Provider's Interconnection Facilities and/or Upgrades described in Appendices 1, 2, and 5 of this agreement, Transmission Provider shall provide Interconnection Customer with a final accounting report of any difference between: (1) Interconnection Customer's cost responsibility for the actual cost of such facilities under this agreement, and (2) Interconnection Customer's previous aggregate payments to Transmission Provider for such facilities. If Interconnection Customer's cost responsibility under this agreement exceeds its previous aggregate payments, Transmission Provider shall invoice Interconnection Customer and Interconnection Customer shall make payment to Transmission Provider. If Interconnection Customer's previous aggregate payments exceed its cost responsibility under this agreement, Transmission Provider shall refund to Interconnection Customer an amount equal to the difference within forty-five Calendar Days of the provision of such final accounting report.

Article 6. Miscellaneous

6.1 Governing Law, Regulatory Authority and Rules. The validity, interpretation and enforcement of this agreement and each of its provisions shall be governed by the laws of the State where the Point of Interconnection is located, without regard to its conflicts of law principles. This agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, Rules, or regulations of a Governmental Authority.

6.2 Amendment. The Parties may by mutual agreement amend this agreement by a written instrument duly executed by both of the Parties.

6.3 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.

6.4 Waiver. 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. 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 Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider. Any waiver of this agreement shall, if requested, be provided in writing.

6.5 Assignment. This agreement may be assigned by either Party only with the written consent of the other; provided that either Party may assign this agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with

the legal authority and operational ability to satisfy the obligations of the assigning Party under this agreement; and provided further that Interconnection Customer shall have the right to assign this agreement, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Generating Facility, provided that Interconnection Customer will require any secured party, trustee or mortgagee to 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). Any attempted assignment that violates this article is void and ineffective. Any assignment under this agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

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

6.7 Notices. Unless otherwise provided in this agreement, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out below:

Transmission Provider: _____

Interconnection Customer: _____

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

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

Transmission Provider: _____

Interconnection Customer: _____

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

Transmission Provider: _____

Interconnection Customer: _____

6.7.3 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 operations and maintenance the Party's facilities.

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

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

6.10 Communications. Each Party will provide the other Party with the name, title, address and phone numbers of its representative to receive operational communications and to conduct the daily communications which may be necessary or convenient for the administration of this agreement. Such designations, including names, addresses, and phone numbers, may be communicated or revised by one Party's notice to the other in accordance with Article 6.7.

6.11 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.

6.12 Security Arrangements. Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day reliability and

operational security. The Commission 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.

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

by the indemnified Party.

Indemnified Person. 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 judgement with respect to, or pay in full, such claim.

Indemnifying Party. 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.

Indemnity Procedures. Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in 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.

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

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (1) shall not be entitled to assume and control the defense

of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (2) shall not settle or consent to the entry of any judgement in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

6.14 Force Majeure. Economic hardship is not considered a Force Majeure event.

Neither Party shall be considered to be in Default with respect to any obligation hereunder other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after

the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance

6.15 Environmental Releases. Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (1) 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 (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

6.16 Insurance. Each Party shall, at its own expense, maintain in force throughout the period of the Standard Small Generator Interconnection Agreement, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the State where the Point of Interconnection is located:

6.16.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the State in which the Point of Interconnection is located. The minimum limits for the Employers' Liability insurance shall be (\$—) each accident bodily injury by accident, (\$—) each employee bodily injury by disease, and (\$—) policy limit bodily injury by disease.

6.16.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors

coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of (\$—) per occurrence/(\$—) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

6.16.3 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of (\$—) per occurrence for bodily injury, including death, and property damage.

6.16.4 Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of (\$—) per occurrence/(\$—) aggregate.

6.16.5 The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions

whereby the insurers waive all rights of subrogation in accordance with the provisions of the Standard Small Generator Interconnection Agreement against the Other Party Group and provide thirty days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

6.16.6 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

6.16.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two years after termination of the Standard Small Generator Interconnection Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

6.16.8 The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under the Standard Small Generator Interconnection Agreement.

6.16.9 Within ten days following execution of the Standard Small Generator Interconnection Agreement, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety days thereafter, each Party shall provide certification of all insurance required in the Standard Small Generator Interconnection Agreement, executed by each insurer or by an authorized representative of each insurer.

6.16.10 Notwithstanding the foregoing, each Party may self-insure to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade, or better, by Standard & Poor's. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by

Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 6.16.1 through 6.16.9. In the event that a Party is permitted to self-insure pursuant to this Article 6.16.10, it shall not be required to comply with the insurance requirements applicable to it under Articles 6.16.1 through 6.16.9.

6.16.11 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of the Standard Small Generator Interconnection Agreement.

6.17 Default.

6.17.1 General. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this agreement or the result of an act 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 6.17.2, the defaulting Party shall have thirty 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 thirty Calendar Days, the defaulting Party shall commence such cure within thirty Calendar Days

after notice and continuously and diligently complete such cure within ninety Calendar Days from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

6.17.2 Right to Terminate. 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.

6.18 Subcontractors.

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

6.18.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under Article 5 of this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

6.18.3 No Limitation by Insurance. The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

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

6.20 Reservation of Rights. Transmission Provider shall have the right to make a unilateral filing with FERC to modify this LGIA with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such

modifications may be considered. Nothing in this LGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

Article 7. Confidentiality

7.1 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 Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

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.

7.2 Term. During the term of this agreement, and for a period of three years after the expiration or termination of this agreement, except as otherwise provided in this article, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

7.3 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party, (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party, (3) was supplied to the receiving Party

without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential, (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party, (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this agreement, or (6) is required, in accordance with Article 7.8 (Order of Disclosure) to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

7.4 Release of Confidential Information. Neither Party shall release or disclose Confidential Information to any other person, except to its 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 agreement, unless such person has first been advised of the confidentiality provisions of this article and has agreed to comply with such provisions. Notwithstanding the

foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this article.

7.5 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.

7.6 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.

7.7 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this agreement or its regulatory requirements.

7.8 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 Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the

opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

7.9 Termination of Agreement. Upon termination of this agreement for any reason, each Party shall, within ten 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.

7.10 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this article. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this article, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this article, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants

contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this article.

7.11 Disclosure to FERC or its Staff. Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR. § 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party may, consistent with 18 CFR § 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 the Commission or its staff. The Party shall notify the other Party to this agreement 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 § 388.112.

7.12 Competitively Sensitive, Commercial or Financial Information. Subject to the exception in Article 7.11, any information that a Party claims is competitively sensitive, commercial or financial information under this agreement ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (1) required by law, (2) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute, (3) otherwise permitted by consent of the other Party, such consent not to be

unreasonably withheld, or (4) necessary to fulfill its obligations under this agreement or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to the 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.

7.13 Information in Public Domain. This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

Article 8. Disputes

8.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this agreement or its performance, such Party (the "Disputing Party") shall

provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this agreement.

8.2 External Arbitration Procedures. Any arbitration initiated under this agreement shall be conducted before a single neutral Arbitrator/Technical Master (herein after referred to as Arbitrator) appointed by the Parties. If the Parties fail to agree upon a single Arbitrator within ten Calendar Days of the submission of the dispute to arbitration, each Party shall choose one Arbitrator who shall sit on a three-member arbitration panel. The two Arbitrators so chosen shall within 20 Calendar Days select a third Arbitrator to chair the arbitration panel. In either case, the Arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The Arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or Regional Transmission Organization rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this article, the terms of this article shall prevail.

8.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the Arbitrator(s) shall render a decision within 90 Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The Arbitrator(s) shall be authorized only to interpret and apply the provisions of this agreement and shall have no power to modify or change any provision of this agreement in any manner. The decision of the Arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the Arbitrator(s) may be appealed solely on the grounds that the conduct of the Arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the Arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Upgrades.

8.4 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 9. Signatures

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

For Transmission Provider

Name: _____

Title: _____

Date: _____

For Transmission Owner (If Applicable)

Name: _____

Title: _____

Date: _____

For Interconnection Customer

Name: _____

Title: _____

Date: _____.

Appendix 1
Description and Costs of Generating Facility, Interconnection Facilities,
and Metering Equipment

Equipment, including the Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by Interconnection Customer, Transmission Provider, or Transmission Owner. Transmission Provider will provide an 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..

Appendix 2
One-line Diagram Depicting Generating Facility, Interconnection
Facilities, Metering Equipment, and Upgrades.

**Appendix 3
Milestones**

In-Service Date: _____

Critical milestones and responsibility as agreed to by the Parties:

Milestone

(1)	_____	_____	_____
(2)	_____	_____	_____
(3)	_____	_____	_____
(4)	_____	_____	_____
(5)	_____	_____	_____
(6)	_____	_____	_____
(7)	_____	_____	_____
(8)	_____	_____	_____
(9)	_____	_____	_____
(10)	_____	_____	_____

Agreed to by:

For Transmission Provider _____ Date _____

For Transmission Owner

(If Applicable) _____ Date _____

For Interconnection Customer _____ Date _____

Appendix 4
Additional Operating Requirements for Interconnection
Provider's Transmission System and Affected Systems Needed to Support
Interconnection Customer's Needs

Transmission Provider shall also provide requirements that must be met by Interconnection Customer prior to initiating Parallel Operation with Transmission Provider's Transmission System.

Appendix 5
Transmission Provider's Description of Transmission System
Upgrades and Best Estimate of Upgrade Costs

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. Transmission Provider shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

