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25. Interconnection of Generating Units and Facilities

25.1 Applicability

This Section 25 and Appendix U (the Standard Large Generator Interconnection Procedures (LGIP)), Appendix Y (the Generator Interconnection Procedures (GIP)), Appendix S (the Small Generator Interconnection Procedures (SGIP)), ~~or Appendix W~~, or Appendix DD (the Generator Interconnection and Deliverability Allocation Procedures (GIDAP)), as applicable, shall apply to:

- (a) each new Generating Unit that seeks to interconnect to the CAISO Controlled Grid;
- (b) each existing Generating Unit connected to the CAISO Controlled Grid that will be modified with a resulting increase in the total capability of the power plant;
- (c) each Generating Unit connected to the CAISO Controlled Grid that will be modified without increasing the total capability of the power plant but has changed the electrical characteristics of the power plant such that its re-energization may violate Applicable Reliability Criteria.
- (d) each existing Generating Unit connected to the CAISO Controlled Grid whose total Generation was previously sold to a Participating TO or on-site customer but whose Generation, or any portion thereof, will now be sold in the wholesale market, subject to Section 25.1.2; and
- (e) each existing Generating Unit that is a Qualifying Facility and that is converting to a Participating Generator without repowering or reconfiguring the existing Generating Unit, subject to Section 25.1.2.

25.1.1 Interconnection Request and Generating Unit Requirements

The owner of a Generating Unit described in Section 25.1 (a), (b), or (c), or its designee, shall be an Interconnection Customer required to submit an Interconnection Request and comply with Appendix DD.

25.1.2 Affidavit Requirements

If the owner of a Generating Unit described in Section 25.1(d), or its designee, represents that the total generating capability and electrical characteristics of the Generating Unit will be substantially unchanged, then that entity must submit an affidavit to the CAISO and the applicable Participating TO representing

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that the total generating capability and electrical characteristics of the Generating Unit have remained substantially unchanged. However, if there is any change to the total generating capability and electrical characteristics of the Generating Unit, the affidavit shall include supporting information describing any such changes and a \$540,000 deposit for the study. The CAISO, in coordination with the applicable Participating TO, will evaluate whether the total generating capability or electrical characteristics of the Generating Unit have substantially changed or will substantially change. The CAISO may engage the services of the applicable Participating TO in conducting such verification activities. Costs incurred by the CAISO and Participating TO (if any) shall be borne by the party making the request under Section 25.1.2, and such costs shall be included in a CAISO invoice for verification activities.

25.1.2.1 If the CAISO and the applicable Participating TO confirm that the electrical characteristics are substantially unchanged, then that request will not be placed into the interconnection queue. However, the owner of the Generating Unit, or its designee, will be required to execute a ~~Standard Large CAISO Generator Interconnection Agreement in accordance with Section 11 of Appendix U (the LGIP), a Large Generator Interconnection Agreement in accordance with Section 11 of Appendix Y (the GIP), a Small Generator Interconnection Agreement in accordance with Section 3.3.4, 3.4.5, or 3.5.7 and Section 4.8 of the SGIP, or an interconnection agreement in accordance with Appendix W,~~ as applicable. All Generating Units described in Section 25.1(d) and (e) will be required to comply with the CAISO's new resource implementation process to ensure compliance with applicable tariff provisions and Applicable Reliability Criteria, as specified in the Business Practice Manuals.

25.1.2.2 If the CAISO and the applicable Participating TO cannot confirm that the total capability and electrical characteristics are and will be substantially unchanged, then the owner of the Generating Unit, or its designee, shall be an Interconnection Customer required to submit an Interconnection Request and comply with ~~Appendix U (the LGIP), Appendix Y (the GIP), Appendix S (the SGIP), or Appendix W, as applicable~~Appendix DD.

25.1.2.3 Upon receipt of the affidavit, the complete technical data, and the deposit, the CAISO will issue a draft study plan to the Generating Unit owner within ten (10) Business Days. Upon receipt of an executed study plan the CAISO will commence the study. The CAISO will complete the study within ninety (90) calendar days from the date the CAISO receives the signed study plan. If the CAISO cannot complete

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the study within that time period, the CAISO shall notify the Generating Unit owner and provide an estimated completion date and an explanation of the reasons why additional time is required. The CAISO will issue a final study report to the Generating Unit owner upon completion of the study. Any and all costs of the study shall be borne by the Generating Unit owner requesting the study.

25.1.2.4 The Generating Unit owner will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the study. If the actual costs of the study are less than the deposit provided by the Generating Unit owner, the Generating Unit owner will be refunded the balance. If the actual costs of the study are greater than the deposit provided by the Generating Unit owner, the Generating Unit owner shall pay the balance within thirty (30) days of being invoiced by the CAISO. The Participating TO(s) shall invoice the CAISO for any study work within seventy-five (75) calendar days of completion of the study, and, within thirty (30) days of payment of the Participating TO(s) invoice, the CAISO shall issue an invoice or refund to the Generating Unit owner, as applicable, based upon such submitted Participating TO invoices and the CAISO's costs for the study.

25.2 Interconnection to the Distribution System

Any proposed interconnection by the owner of a planned Generating Unit, or its designee, to connect that Generating Unit to a Distribution System of a Participating TO will be processed, as applicable, pursuant to the Wholesale Distribution Access Tariff or CPUC Rule 21, or other Local Regulatory Authority requirements, if applicable, of the Participating TO; provided, however, that the owner of the planned Generating Unit, or its designee, shall be required to mitigate any adverse impact on reliability of the CAISO Controlled Grid consistent with ~~Appendix U (the Standard Large Generator Interconnection Procedures) and Appendix Y (the GIP) Appendix DD~~. In addition, each Participating TO will provide to the CAISO a copy of the system impact study used to determine the impact of a planned Generating Unit on the Distribution System and the CAISO Controlled Grid pursuant to a request to interconnect under the applicable Wholesale Distribution Access Tariff or CPUC Rule 21, or other Local Regulatory Authority requirements, if applicable.

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25.5 Modifications to Generating Facilities

Pursuant to Article 5.19 of the Large Generator Interconnection Agreement set forth in Appendices V, BB, CC, and EE, or Article 1.3.4 of the Small Generator Interconnection Agreement set forth in Appendices T and FF, Generating Facilities that have achieved Commercial Operation may make modifications to their Generating Facilities where the CAISO and the Participating TO are notified at least ninety (90) calendar days in advance of commencement of work and sufficient information is provided such that the CAISO and the Participating TO(s) have determined that Section 25.1 does not apply to the modification.

25.5.1

Prior to making any modification after the Generating Facility's Commercial Operation Date, the Generating Unit owner must first request that the CAISO evaluate whether Section 25.1 would apply to the modification. In response to the Generating Unit owner's request, the CAISO, in coordination with the affected Participating TO, will evaluate the proposed modification. The CAISO may engage the services of the applicable Participating TO to assess the modification. The CAISO will inform the Generating Unit owner in writing whether Section 25.1 would apply to the modification and therefore be denied. Costs incurred by the Participating TO and the CAISO (if any) shall be borne by the party making the request under Section 25.5, and such costs shall be included in any CAISO invoice for modification assessment activities.

25.5.2

The Generating Unit owner will provide the CAISO a \$~~150~~50,000 deposit for the modification assessment at the time the request is submitted. Except as provided below, any modification assessment will be concluded, and a response provided to the Generating Unit owner in writing, within forty-five (45) calendar days from the date the CAISO receives all of the following: the Generating Unit owner's written notice to modify the project, technical data required to assess the request, and payment of the \$~~150~~50,000 deposit. If the modification assessment cannot be completed within that time period, the CAISO will notify the Generating Unit owner and provide an estimated completion date and an explanation of the reasons why additional time is required.

25.5.3

The Generating Unit owner will be responsible for the actual costs incurred by the CAISO and applicable

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Participating TO(s) in conducting the modification assessment. If the actual costs of the modification assessment are less than the deposit provided by the Generating Unit owner, the Generating Unit owner will be refunded the balance. If the actual costs of the modification assessment are greater than the deposit provided by the Generating Unit owner, the Generating Unit owner will pay the balance within thirty (30) days of being invoiced. The CAISO will coordinate the modification request with the Participating TO(s). The Participating TO(s) will invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within thirty (30) days of payment of the Participating TO(s) invoice, the CAISO will issue an invoice or refund to the Generating Unit owner, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.

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Appendix DD¹

Section 3 Interconnection Requests

3.1 General

Pursuant to CAISO Tariff Section 25.1, an **duly authorized officer or agent of the** Interconnection Customer **shall will** submit to the CAISO **(1) an Interconnection Request in the form of consistent with Appendix 1 to this GIDAP, including (2) an executed Generator Interconnection Study Process Agreement consistent with Appendix 3 to this GIDAP.** All forms may be submitted electronically as provided on the CAISO website. **Interconnection customers will submit Appendix B to the Generator Interconnection Study Process Agreement pursuant to Section 7 of this GIDAP.** The CAISO will forward a copy of the Interconnection Request to the applicable Participating TO within five (5) Business Days of receipt.

3.5 Processing of Interconnection Requests

3.5.1 Initiating an Interconnection Request.

To initiate an Interconnection Request, except as set forth for the Fast Track Process in Section 5, and have the Interconnection Request considered for validation under Section 3.5.2, the Interconnection Customer must submit all of the following during the Cluster Application Window, or at any time during the year for proposed Generating Facilities applying for processing under the Independent Study Process:

- (i) An Interconnection Study Deposit of \$150,000.
- (ii) A completed application in the form of Appendix 1, including requested Deliverability status, requested study process (either Queue Cluster or Independent Study Process), preferred Point of Interconnection and voltage level, and all other required technical data.
- (iii) Demonstration of Site Exclusivity or, for Interconnection Requests in a Queue Cluster, a posting of a Site Exclusivity Deposit of \$100,000 for a Small Generating Facility or \$250,000 for a Large Generating Facility. The demonstration of Site Exclusivity, at a minimum, must be through the Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility.

The CAISO requires Interconnection Study Deposits to review and validate the Interconnection Request. Notwithstanding Section 3.5.2 of this GIDAP or any other provision regarding validation or the ability to cure deficiencies, the CAISO will not review, process, or validate an Interconnection Request absent the Interconnection Study Deposit. Any interconnection Customer that has not submitted a complete Interconnection Study Deposit by April 15 (or the next Business Day if April 15 is not a Business Day) will be deemed invalid with no opportunity to cure or otherwise be included in that year's Queue Cluster.

3.6 Internet Posting

The CAISO will maintain on the CAISO Website a list of all Interconnection Requests. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt

¹ Provisions in older generator interconnection processes and GIA forms that mirror Appendix DD and EE provisions will be revised similarly. Reiterated provisions have been omitted for readability.

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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 most recent projected Commercial Operation Date; (v) the status of the Interconnection Request, including whether it is active or withdrawn; (vi) the availability of any studies related to the Interconnection Request; (vii) the date of the Interconnection Request; (viii) the type of Generating Facility to be constructed (e.g., combined cycle, combustion turbine, wind turbine, and fuel type); ~~and (ix) requested Deliverability status, and (x) project name.~~

Except in the case of an Affiliate, the list will not disclose the identity of the Interconnection Customer until the Interconnection Customer executes a GIA or requests that the applicable Participating TO(s) and the CAISO file an unexecuted GIA with FERC. The CAISO shall post on the CAISO Website an advance notice whenever a Scoping Meeting will be held with an Affiliate of a Participating TO.

The CAISO shall post to the CAISO Website any deviations from the study timelines set forth herein. The CAISO shall further post to the secure CAISO Website portions of the Phase I Interconnection Study that do not contain customer-specific information following the final Results Meeting and portions of the Phase II Interconnection Study that do not contain customer-specific information no later than publication of the final Transmission Plan under CAISO Tariff Section 24.2.5.2 (such posted information to be placed on the secure CAISO Website to protect any Critical Energy Infrastructure Information contained therein). The CAISO shall post to the secure CAISO Website any documents or other materials posted pursuant to this or a Business Practice Manual that contain Critical Energy Infrastructure Information.

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Section 6 Initial Activities and Phase I of the Interconnection Study Process for Queue Clusters

The provisions of this Section 6 shall apply to all Interconnection Requests except those processed under the Independent Study Process selecting Energy Only Deliverability Status, the Fast Track Process, or the 10 kW inverter process as set forth in Appendix 7.

6.1 Initial Activities Following the Close of the Cluster Application Window

6.1.1 ~~[Not used] Generator Interconnection Study Process Agreement~~

~~By May 31 or the next Business Day if May 31 is not a Business Day, the CAISO shall provide to each Interconnection Customer with a validated Interconnection Request received during the Cluster Application Window a pro forma Generator Interconnection Study Process Agreement in the form set forth in Appendix 3. The pro forma Generator Interconnection Study Process Agreement shall specify that the Interconnection Customer is responsible for the actual cost of the Interconnection Studies, including reasonable administrative costs, and all requirements of this GIDAP. Within three (3) Business Days following the Scoping Meeting, the Interconnection Customer shall specify for inclusion in the attachment to the Generator Interconnection Study Process Agreement the Point of Interconnection for the Phase I Interconnection Study. Within ten (10) Business Days following the CAISO's receipt of such designation, the CAISO, in coordination with the applicable Participating TOs, shall provide to the Interconnection Customer a signed Generator Interconnection Study Process Agreement. The Interconnection Customer shall execute and deliver to the CAISO the Generator Interconnection Study Process Agreement no later than thirty (30) calendar days after the Scoping Meeting.~~

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6.7.2 Modifications.

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6.7.2.4 Notwithstanding any other provisions in this GIDAP or the Interconnection Customer's GIA, the Interconnection Customer may not modify its fuel type, including through the addition or replacement of Generating Units, by more than the greater of five percent (5%) of its capacity or 10 MW (but by no more than twenty-five percent (25%) of its capacity), where:

- (a) the Interconnection Customer has exceeded seven (7) years from the date the CAISO received its Interconnection Request without achieving Commercial Operation;
- (b) the Interconnection Customer's current Commercial Operation Date exceeds seven (7) years from the date the CAISO received its Interconnection Request;
or
- (c) the change in fuel type will require the Interconnection Customer's Commercial Operation Date to exceed seven (7) years from the date the CAISO received its Interconnection Request.

Commented [A1]: This should be revised to allow limited exceptions like technology updates, etc. that don't have a material impact on the interconnection. Also need to include language to reflect commitments made during the Board meeting.

6.7.2.5 In addition to the options provided in this GIDAP, an Interconnection Customer may convert to Energy Only, Partial Capacity Deliverability Status, or a lower fraction of Partial Capacity Deliverability Status after the completion of its Phase II Interconnection Study. This conversion will become effective through the reassessment process described in Section 7.4. Except (i) as provided in Section 8.9.3.1 (ii) due to not receiving the requested TP Deliverability allocation, or (iii) due to declining a TP Deliverability allocation, Interconnection Customers that become Energy Only after their Phase II Interconnection Study may not reduce their cost responsibility or Interconnection Financial Security for any assigned Delivery Network Upgrades as a result of converting to Energy Only unless the CAISO and Participation TO(s) determine that the Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers.

6.7.3 Determination of Impact of Modifications Decreasing Generating Capacity Output or Deliverability Status Reductions on Re-calculation of Initial Financial Security Posting

~~After receiving from the Interconnection Customer any modification elections involving decreases in electrical output (MW) of the Generating Facility and/or changes (i.e., reductions) in Deliverability status as permitted in this Section, the CAISO, in coordination with the applicable Participating TO(s), will may determine, based on best engineering judgment, whether such modifications, withdrawals, or system changes will eliminate the need for any Delivery Network Upgrades identified in the Phase I Interconnection Study report. The CAISO and applicable Participating TO(s) will not conduct any re-studies in making this determination.~~

If the CAISO and applicable Participating TO(s) should determine that one or more ~~Delivery~~ Network Upgrades identified in the Phase I Interconnection Study are no longer needed, then, solely for purposes of calculating the amount of the Interconnection Customer's initial Financial Security Posting under Section 11.2, such ~~Delivery~~ Network Upgrade(s) will be considered to be removed from the plan of service described in the Interconnection Customer's Phase I Interconnection Study report and the cost estimates for such upgrades shall not be included in the calculation of Interconnection Financial Security in Section 11.2. The CAISO will inform in a timely manner any Interconnection Customers so affected, and provide the Interconnection Customers with written notice of the revised initial Interconnection Financial Security posting amounts. No determination under this Section shall affect either (i) the timing for the initial Interconnection Financial Security posting or (ii) the maximum value for the Interconnection Customer's total cost responsibility for Network Upgrades established by the Phase I Interconnection Study report.

6.7.4 Commercial Viability Criteria for Retention of Deliverability beyond Seven Years in Queue

~~Interconnection Customers may not retain their TP Deliverability if they exceed seven (7) years from the date the Interconnection Request is received by the CAISO, unless the Interconnection Customer demonstrates that the Generating Facility is commercially viable. The CAISO's agreement to an extension of the proposed Commercial Operation Date does not relieve the Interconnection Customer from compliance with the requirements of any of the criteria in Section 8.9.3 to retain TP Deliverability.~~

The CAISO's agreement to any modification for an Interconnection Customer with a Commercial Operation Date that has exceeded or will exceed seven (7) years from the date the Interconnection Request is received by the CAISO extension of the proposed Commercial Operation Date with retention of TP Deliverability will be predicated upon the Interconnection Customer's ability to meet and maintain the following commercial viability criteria:

- a) Providing proof of having, at a minimum, applied for the necessary governmental permits or authorizations, and that the permitting authority has deemed such documentation as data adequate for the authority to initiate its review process;
- b) Providing proof of having an executed and regulator-approved power purchase agreement, ~~attesting that the Generating Facilities will be balance-sheet financed, or otherwise receiving a binding commitment of project financing.~~ Power purchase agreements must have the point of interconnection, capacity, fuel type, technology, and site location in common with the Interconnection Customer and GIA;
- c) Demonstrating Site Exclusivity for 100% of the property necessary to construct the facility through the Commercial Operation Date requested in the modification request. A Site Exclusivity Deposit does not satisfy this criterion
- d) Having an executed Generator Interconnection Agreement ("GIA"); and
- e) Being in good standing with the GIA such that neither the Participating TO nor the CAISO has provided a Notice of Breach that has not been cured and the Interconnection Customer has not commenced sufficient curative actions.

~~The CAISO's agreement to an extension of the proposed Commercial Operation Date does not relieve the Interconnection Customer from compliance with the requirements of any of the criteria in Section 8.9.3 to retain TP Deliverability.~~

If the Interconnection Customer fails to meet all of the commercial viability criteria but informs the CAISO that it intends to proceed with the modified Commercial Operation Date, the Generating Facility's Deliverability Status will become Energy-Only Deliverability Status. Interconnection Customers that become Energy Only for failure to meet these criteria may not reduce their cost responsibility or Interconnection Financial Security for any assigned Delivery Network Upgrades as a result of converting to Energy Only unless the CAISO and Participation TO(s) determine that the Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers.

Commented [A2]: This is overly restrictive and we don't recall this being discussed during the stakeholder process. We suggest that this be fleshed out further in the next phase of the proceeding.

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7.4 Reassessment Process

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7.4.1 The CAISO will perform a reassessment of the Phase I Interconnection Study base case prior to the beginning of the GIDAP Phase II Interconnection Studies. The reassessment will evaluate the impacts on those Network Upgrades identified in previous interconnection studies and assumed in the Phase I Interconnection Study of:

- (a) Interconnection Request withdrawals occurring after the completion of the Phase II Interconnection Studies for the immediately preceding Queue Cluster;
- (b) Generator Downsizing Requests submitted in the most recent Generator Downsizing Request Window that meet the requirements set forth in Section 7.5, and Generating Facilities that are to have their generating capacities reduced pursuant to Sections 8.9.4, 8.9.5, and 8.9.6;
- (c) the performance of earlier queued Interconnection Customers with executed GIAs with respect to required milestones and other obligations;
- (d) ~~compliance of earlier queued Interconnection Customers that were allocated TP Deliverability under Section 8.9.3 with the retention criteria~~ changes in TP Deliverability allocations or Deliverability Status by Interconnection Customers;
- (e) the results of the TP Deliverability allocation from the prior Interconnection Study cycle; and,
- (f) transmission additions and upgrades approved in the most recent TPP cycle.

The reassessment will be used to develop the base case for the Phase II Interconnection Study.

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7.5 Generator Downsizing Process

7.5.1 Objectives and Applicability

In accordance with the requirements set forth in this Section 7.5, the CAISO shall conduct, on an annual basis, a process for evaluating requests by Interconnection Customers to reduce the megawatt generating capacities of their Generating Facilities. In each annual cycle of this Generator Downsizing Process, the CAISO will process valid Generator Downsizing Requests submitted during the applicable Generator Downsizing Request Window as part of the annual reassessment process set forth in Section 7.4.

All reductions to the megawatt generating capacity of Generating Facilities by Interconnection Customers shall utilize this annual Generator Downsizing Process unless explicitly exempted. Specifically, beginning on the date of the opening of the first Generator Downsizing Request Window, all proposed reductions of megawatt generating capacity by Interconnection Customers shall, regardless of the dates of the Interconnection Customer's Interconnection Request(s), be subject to the requirements and procedures of the Generator Downsizing Process set forth in Section 7.5, except for MW capacity reductions made pursuant to the following: (1) the provisions of the CAISO's interconnection procedures that permit Interconnection Customers to reduce the size of their Generating Facilities between the Phase I and Phase II Interconnection Studies, as set forth in Section 6.7.2; (2) specific non-conforming provisions of an Interconnection Customer's Generator Interconnection Agreement that provide the Interconnection Customer with an explicit right to reduce the capacity of its Generating Facility through a partial termination of its Generator Interconnection Agreement; (3) the

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de minimis threshold set forth in Section 7.5.13.1; and (4) the parking options set forth in Sections 8.9.4, 8.9.5, and 8.9.6.

Generator Downsizing Requests that meet the eligibility requirements set forth in this Section 7.5 will be studied as part of the next annual reassessment process set forth in Section 7.4.

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7.5.3 Eligibility to Participate in Generator Downsizing Process

~~7.5.3.1 Commercial Operation Status~~

~~In order to be eligible to participate in the current annual Generator Downsizing Process, an Interconnection Customer, including Interconnection Customers that have achieved Commercial Operation, must be in one of the following two categories:~~

~~(1) — The Interconnection Customer has a Generating Facility that is currently being processed under the CAISO's interconnection procedures and has not achieved the last Commercial Operation Date indicated in its Generator Interconnection Agreement.~~

~~(2) — The Interconnection Customer has a Generating Facility that has achieved the last Commercial Operation Date indicated in its Generator Interconnection Agreement with a total megawatt capacity amount that is lower than the amount specified in its Generator Interconnection Agreement by an amount that is greater than the de minimis threshold set forth in Section 7.5.13.1. This eligibility will be limited to the first annual Generator Downsizing Process with a Generator Downsizing Request Window that closes on a date after the last Commercial Operation Date indicated in its Generator Interconnection Agreement.~~

~~7.5.3.2 Good Standing Requirements~~

~~The Interconnection Customer must also meet the following good standing requirements of good standing by the date close of the applicable Generator Downsizing Request Window closes in order to be eligible to participate in the Generator Downsizing Process:~~

- ~~(a) The Interconnection Customer has complied with all applicable requirements of the CAISO Tariff under which the Interconnection Request is being processed, including timely submittal of all Interconnection Financial Security postings that have come due.~~
- ~~(b) The Interconnection Request has not been withdrawn or deemed withdrawn by the CAISO. If the Interconnection Customer has received a notice of deemed withdrawal for which the cure period has expired without sufficient cure being made, then the Interconnection Customer will not be eligible to submit a Generator Downsizing Request. If the Interconnection Customer has received a notice of deemed withdrawal for which the cure period has not expired at the time of the close of the applicable Generator Downsizing Request Window and such cure period subsequently expires without sufficient cure being made, the Interconnection Customer's Generator Downsizing Request will be deemed withdrawn.~~

- (c) The Interconnection Customer is in compliance with the terms of its Generator Interconnection Agreement, including Interconnection Customer milestones, and has not received a notice of breach for which the cure period has expired without sufficient cure being made. If the Interconnection Customer has received a notice of breach for which the cure period has not expired at the time of the close of the applicable Generator Downsizing Request Window and such cure period subsequently expires without sufficient cure being made, the Interconnection Customer's Generator Downsizing Request will be deemed withdrawn.

~~An Interconnection Customer under category (2) in Section 7.5.3.1 will be eligible to participate in the Generator Downsizing Process if its failure to meet one or more of the three requirements listed in this Section 7.5.3.2 is due solely to its Generating Facility having achieved the last Commercial Operation Date indicated in its Generator Interconnection Agreement with a total megawatt capacity amount that is lower than the amount specified in its Generator Interconnection Agreement by an amount that is greater than the de minimis threshold specified in Section 7.5.13.1.~~

~~7.5.3.3 Treatment of Customers with Capacity Reductions Greater than the De Minimis Threshold~~

~~An Interconnection Customer under category (2) in Section 7.5.3.1 that meets all applicable eligibility requirements set forth in Section 7.5, including the payment of any related costs, and that participates in the applicable annual Generator Downsizing Process, will not be considered in breach of its obligations under the CAISO Tariff or its Generator Interconnection Agreement due to failing to place into service the megawatt capacity set forth in its Generator Interconnection Agreement. This Section 7.5.3 will not operate to diminish the responsibility of an Interconnection Customer under category (2) above for any costs or other obligations set forth in the CAISO Tariff or its Generator Interconnection Agreement.~~

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7.5.13.3 Interaction with Executed Generator Interconnection Agreements

With respect to an Interconnection Customer that has not achieved Commercial Operation Date but has with an executed Generator Interconnection Agreement derived from either Appendix CC or Appendix EE to the CAISO Tariff, this Section 7.5.13 shall apply in lieu of Article 5.19.4 of the Generator Interconnection Agreement and any Generating Facility capacity reduction permitted under Article 5.19.4 shall be performed in accordance with and be subject to Section 7.5.13.

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8.9.2 Second Component: Allocating TP Deliverability ~~to the Current Queue Cluster~~

~~If the CAISO determines, Following the process set forth in Section 8.9.1, the CAISO will allocate any remaining TP Deliverability under Section 8.9.1 above, that no TP Deliverability exists for allocation to the current Queue Cluster, then no allocation of TP Deliverability shall be made to the current Queue Cluster. If TP Deliverability is available for allocation, then the CAISO will allocate such capacity to eligible Generating Facilities.~~

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~~The CAISO shall allocate any TP Deliverability available after taking into account the commitments described in the prior section to eligible Generating Facilities in the current Interconnection Study Cycle and eligible parked Generating Facilities.~~

~~The CAISO shall allocate available TP Deliverability to the following order. The CAISO will allocate TP Deliverability to all or a portion of the full MW generating capacity of the Generating Facility as specified in the Interconnection Request. Where a criterion is met by a portion of the full MW generating capacity of the Generating Facility, the eligibility score associated with that criterion shall apply to the portion that meets the criterion. The demonstration must relate to the same proposed Generating Facility as described in Appendix A to the Interconnection Request.~~

- ~~(1) To Interconnection Customers in the current Queue Cluster or coming out of parking that have executed power purchase agreements, and to Interconnection Customers in the current Queue Cluster that are Load Serving Entities serving their own Load.~~
- ~~(2) To Interconnection Customers in the current Queue Cluster or coming out of parking that are actively negotiating a power purchase agreement or on an active short list to receive a power purchase agreement.~~
- ~~(3) Pursuant to the limitations provided in Section 8.9.2.2, to Interconnection Customers in the current Queue Cluster with a completed Phase II Interconnection Study that have not parked or which are subject to Section 8.9.3.1, and elect to proceed without a power purchase agreement.~~

~~Only these three foregoing groups may trigger the construction of Delivery Network Upgrades pursuant to Section 6.3.2. After the CAISO has allocated TP Deliverability to the three foregoing groups, the CAISO will allocate any remaining TP Deliverability to Energy Only Interconnection Customers requesting Deliverability based on the reassessment study and in the following order:~~

- ~~(4) To Interconnection Customers that have not achieved Commercial Operation, originally requested Full Capacity Deliverability Status, and have executed power purchase agreements; and to Interconnection Customers that have achieved Commercial Operation and have executed power purchase agreements.~~
- ~~(5) To Interconnection Customers that have not achieved Commercial Operation, originally requested Full Capacity Deliverability Status, and are actively negotiating a power purchase agreement or on an active short list to receive a power purchase agreement; and to Interconnection Customers that have achieved Commercial Operation and are actively negotiating a power purchase agreement or on an active short list to receive a power purchase agreement.~~
- ~~(6) To Interconnection Customers that originally requested Full Capacity Deliverability Status but achieved Commercial Operation as Energy Only.~~
- ~~(7) To Interconnection Customers that achieved Commercial Operation.~~

~~The CAISO will allocate TP Deliverability to these four foregoing groups solely based on TP Deliverability available from existing transmission facilities, from already planned upgrades in the CAISO Transmission Planning Process, or upgrades assigned to an interconnection project that has an executed GIA and currently has a TPD allocation.~~

~~All power purchase agreements must require Deliverability for the Interconnection~~

Commented [A3]: First Solar finds this language to be confusing and we are not sure how the limitations in 8.9.2.2 affect the initial allocation criteria.

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Customer to represent that it has, is negotiating, or is shortlisted for a power purchase agreement. For all TP Deliverability allocations based upon having, negotiating, or being shortlisted for power purchase agreements, the CAISO will allocate TP Deliverability up to the amount of deliverable MW capacity procured by the power purchase agreement. All Load Serving Entities building Generating Facilities to serve their own Load must be doing so to fulfill a regulatory requirement. Load Serving Entities acting as Interconnection Customers are otherwise eligible for all other attestations.

8.9.2.1 Deliverability Affidavits

To determine TP Deliverability allocation order, Interconnection Customers The Generating Facility shall will be assigned a numerical score reflecting the Interconnection Customer's demonstration of having met the criteria below under the methodology set forth in the Business Practice Manual. At a minimum, the Generating Facility must meet (1)d and either (2)a or (2)d.

- (1) Permitting status. An Interconnection Customer's Generating Facility must meet at least one of the following:
 - a. The Interconnection Customer has received its final governmental permit or authorization allowing the Generating Facility to commence construction.
 - b. The Interconnection Customer has received a draft environmental report document (or equivalent environmental permitting document) indicating likely approval of the requested permit and/or which indicates that the permitting authority has not found an environmental impact which would likely prevent the permit approval.
 - c. The Interconnection Customer has applied for the necessary governmental permits or authorizations and the authority has deemed such documentation as data adequate for the authority to initiate its review process.
 - d. The Interconnection Customer has applied for the necessary governmental permit or authorization for the construction.
- (2) Project financing status. An Interconnection Customer's Generating Facility must meet at least one of the following criteria:
 - a. ~~The Generating Facility will be balance-sheet financed or has otherwise received a commitment of project financing, and the Interconnection Customer represents to the CAISO that either it has a regulator-approved power purchase agreement or that the Interconnection Customer is proceeding to commercial operation without a power purchase agreement (only applicable to projects proceeding in group 8.9.2(3)).~~

~~Interconnection Customers that attest to this status at any time will be precluded from exercising rights in accordance with Section 11.4.1(a) as a condition for partial recovery of the Network Upgrade Interconnection Financial Security.~~
 - a. ~~b.~~—The Interconnection Customer has an executed and regulator-approved power purchase agreement.

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- b. ~~e.—The Interconnection Customer has an executed power purchase agreement but such agreement has not yet received regulatory approval.~~
- c. ~~d.—The Interconnection Customer does not have an executed power purchase agreement but the Interconnection Customer is included on an active short list or other commercially recognized method of preferential ranking of power providers by a prospective purchaser Load Serving Entity, or is currently negotiating a power purchase agreement.~~
- d. e.—The Interconnection Customer is a Load Serving Entity constructing its project to serve its own Load pursuant to a regulatory requirement.
- e. Pursuant to Section 8.9.2.2, The Interconnection Customer is proceeding to commercial operation without a power purchase agreement.

(3) Land acquisition

- a. The Interconnection Customer demonstrates a present legal right to begin construction of the Generation Facility on one hundred percent (100%) of the real property footprint necessary for the entire Generating facility.
- b. The Interconnection Customer demonstrates Site Exclusivity.

In allocating TP Deliverability under this section, in a situation where the available TP Deliverability cannot accommodate all of the Interconnection Customers in a qualifying group, the CAISO will allocate TP Deliverability based on highest numerical score. In allocating TP Deliverability under this section, in a situation where the available amount of TP Deliverability can accommodate only one out of two or more Generating Facilities requesting TP Deliverability and such Generating Facilities all Interconnection Customers with score equally scores under the criteria above, then the CAISO will allocate the TP Deliverability to such equally scoring Generating Facilities according to the Interconnection Customers with the lowest LDNU cost estimates. For all TP Deliverability allocations based upon having, negotiating, or being shortlisted for power purchase agreements, the CAISO will allocate TP Deliverability up to the amount of deliverable MW capacity procured by the power purchase agreement.

All power purchase agreements must require Deliverability above zero for the Interconnection Customer to represent that it has, is negotiating, or is shortlisted for a power purchase agreement. All Load Serving Entities building Generating Facilities to serve their own Load must be doing so to fulfill a regulatory requirement.

8.9.2.2 Proceeding without a Power Purchase Agreement

Interconnection Customers only may attest that they are proceeding without a power purchase agreement in the allocation cycle immediately following receipt of their Phase II Interconnection Study (without having parked). Interconnection Customers that receive TP Deliverability in this group may park only that portion of their Interconnection Request that does not receive TP Deliverability. Parked portions may receive TP Deliverability in subsequent allocation cycles from any group for which they qualify. Interconnection Customers that receive TP Deliverability allocations for less than requested may elect to reduce their capacity to the amount of TP Deliverability received following the allocation.

If an Interconnection Customer receives TP Deliverability on the basis that it is proceeding without a power purchase agreement, it must accept the TP Deliverability

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~~allocation and forego parking that capacity, or withdraw. If an Interconnection Customer receives TP Deliverability on the basis that it is proceeding without a power purchase agreement, it may not request suspension under its GIA, delay providing its notice to proceed as specified in its GIA, or modify its Commercial Operation Date beyond the earlier of (a) the date established in its Interconnection Request when it requests TP Deliverability or (b) seven (7) years from the date the CAISO received its Interconnection Request. Extensions requested by the Participating TO due to its construction delays will extend these deadlines equally. Interconnection Customers that fail to proceed toward Commercial Operation under these requirements and as specified in their GIA will be converted to Energy Only. Interconnection Customers that become Energy Only for this or any reason may not reduce their cost responsibility or Interconnection Financial Security for any assigned Delivery Network Upgrades unless the CAISO and Participation TO(s) determine that the Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers. Notwithstanding Section 11.4.2 or any other provision in this GIDAP, Interconnection Customers that receive TP Deliverability on the basis of proceeding without a power purchase agreement, and withdraw, terminate their GIA, or are deemed as such, may not recover any portion of Interconnection Financial Security.~~

8.9.3 Criteria for Retaining TP Deliverability Allocation

~~Once a Generating Facility This Section applies to Interconnection Customers with projects in Queue Clusters 9 or earlier that have been is-allocated TP Deliverability -as of November 30, 2018 or that have parked pursuant to Section 8.9.4 or 8.9.4.1, under Section 8.9.4. The Interconnection Customer annually, on the date set forth and according to the process described in the Business Practice Manual, must demonstrate that the Generating Facility meets the following criteria to retain its TP Deliverability:~~

- (1) The Generating Facility shall remain in good standing with respect to the criteria on which the allocation of TP Deliverability was based.
- (2) If the Generating Facility was allocated TP Deliverability based on achievement of only level d ~~Section 8.9.2(2)~~, then the Interconnection Customer must, by the start of the next allocation cycle, demonstrate achievement of level a, b or c ~~of Section 8.9.2(2)~~:

~~a. The Generating Facility will be balance-sheet financed or has otherwise received a commitment of project financing, and the Interconnection Customer represents to the CAISO that either it has a regulator-approved power purchase agreement or that the Interconnection Customer is proceeding to commercial operation without a power purchase agreement.~~

~~Interconnection Customers that attest to this status at any time will be precluded from exercising rights in accordance with Section 11.4.1(a) as a condition for partial recovery of the Network Upgrade Interconnection Financial Security.~~

~~b. The Interconnection Customer has an executed and regulator-approved power purchase agreement.~~

~~c. The Interconnection Customer has an executed power purchase agreement but such agreement has not yet received regulatory approval.~~

~~d. The Interconnection Customer does not have an executed power~~

Commented [A4]: This concept of forfeiture of all IFS was not presented in CAISO's July 10, 2018 revised proposal. It should be removed as needlessly draconian and these projects kept on the same footing as any other project that withdraws. The CAISO did not make a distinction between the "merchant" and other categories of projects in proposing the modifications to the conditions for partial IFS recovery, but stated that "all projects will qualify for partial recovery of the Interconnection Financial Security."

Commented [A5]: First Solar proposes this language to address the transition needed for projects in Queue Clusters 9 or earlier and align with the statements in the July 10 IPE Revised Straw Proposal that the changes would be applicable to Cluster 10 or later projects with a very limited exception.

Our suggestion is that CAISO retain the original version of the TPD retention section with minor modifications to align with the new framework, and create a new 8.9.3.1 that applies to projects that don't qualify for the "grandfathered" provision. We see this as important to protecting against retroactive ratemaking and the possibility to set up unequal treatment for similarly-situated projects.

Commented [A6]: Since 8.9.2(2) is changing, rather than referencing that section the levels from 8.9.2(2) as they appear in the current tariff are incorporated into the deliverability retention criteria directly, except that the added language below (a) should be deleted since the CAISO is changing how it handles forfeiture of interconnection financial security.

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purchase agreement but the Interconnection Customer is included on an active short list or other commercially recognized method of preferential ranking of power providers by a prospective purchaser Load Serving Entity.

- (3) The Interconnection Customer must have executed a GIA and must remain in good standing with regard to its GIA, such that neither the Participating TO nor ISO has provided the Interconnection Customer with a Notice of Breach of the GIA that has not been cured and the Interconnection Customer has not commenced curative actions;
- (4) The Interconnection Customer must maintain the original Commercial Operation Date set forth in the GIA without request for extension unless such extension is required for reasons beyond the control of the Interconnection Customer and such extension results in no Material Modification or delay in the construction schedule for Network Upgrades common to multiple Generating Facilities; or unless the extension is occasioned by a material delay in the Participating TO's construction of any Network Upgrades or Participating TO's Interconnection Facilities

The Interconnection Customer will provide the required information in the form of an affidavit as described in the Business Practice Manual. Interconnection Customers that fail to meet these criteria will become Energy Only. Except as provided in Section 8.9.3.1, Interconnection Customers that become Energy Only for failure to retain their TP Deliverability Allocation may not reduce their cost responsibility or Interconnection Financial Security for any assigned Delivery Network Upgrades unless the CAISO and Participation TO(s) determine that the Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers. To the extent TP Deliverability has been allocated, lost, or relinquished only for a portion of the Interconnection Customer's project, this section 8.9.3 will apply to that portion of the project only.

(5) Projects in Queue Cluster 8 or 9 that declined an allocation of TP Deliverability and parked will be subject to Section 8.9.3.1.

8.9.3.1 Criteria for Retaining TP Deliverability Allocation

For projects not subject to Section 8.9.3, Once a Generating Facility is allocated TP Deliverability under Section 8.9.1, the Interconnection Customer annually, on the date set forth and according to the process described in the Business Practice Manual, must demonstrate that the Generating Facility meets the following criteria to retain its TP Deliverability:

- (1) The Generating Facility shall remain in good standing with respect to the criteria on which the allocation of TP Deliverability was based;
- (2) If the Generating Facility received TP Deliverability on the basis of having executed a power purchase agreement, it must have received regulatory approval of that agreement; If the Generating Facility was allocated TP Deliverability based on achievement of only level d of Section 8.9.2(2), then the Interconnection Customer must, by the start of the next allocation cycle, demonstrate achievement of level a, b or c of Section 8.9.2(2).
- (3) If the Generating Facility received TP Deliverability on the basis of negotiating or

Commented [A7]: It makes sense going forward that the new provisions affecting conversion to Energy-Only projects would apply to all projects equally. Thus, this is suggested added language to the "grandfathered" provision that duplicates the provision found in proposed 8.9.3.1.

Commented [A8]: We do not understand this last sentence.

Commented [A9]: This exception is taken from p. 11 and the bottom of p. 16

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being shortlisted for a power purchase agreement, it must have executed the agreement by November 30 of the year it received TP Deliverability. It must then comply with criterion 8.9.3(2) the following year.

- (43) The Interconnection Customer must have executed a GIA and must remain in good standing with regard to its GIA, such that neither the Participating TO nor CAISO has provided the Interconnection Customer with a Notice of Breach of the GIA that has not been cured and the Interconnection Customer has not commenced curative actions;
- (54) The Interconnection Customer must maintain ~~the original~~its Commercial Operation Date set forth in the GIA ~~without request for extension~~ unless ~~such an~~ extension is required for reasons beyond the control of the Interconnection Customer ~~and or~~ such extension results in no Material Modification or delay in the construction schedule for Network Upgrades common to multiple Generating Facilities; or unless the extension is occasioned by a material delay in the Participating TO's construction of any Network Upgrades or Participating TO's Interconnection Facilities.

The Interconnection Customer will provide the required information in the form of an affidavit as described in the Business Practice Manual. Interconnection Customers that fail to meet these criteria will become Energy Only. Except as provided in Section 8.9.3.1, Interconnection Customers that become Energy Only for failure to retain their TP Deliverability Allocation may not reduce their cost responsibility or Interconnection Financial Security for any assigned Delivery Network Upgrades unless the CAISO and Participation TO(s) determine that the Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers. To the extent TP Deliverability has been allocated, lost, or relinquished only for a portion of the Interconnection Customer's project, this section 8.9.3.1 will apply to that portion of the project only.

Commented [A10]: First Solar comment: We do not understand this last sentence

8.9.3.1 Loss of Power Purchase Agreement or Short List Status

Notwithstanding any provision of this GIDAP, if an Interconnection Customer receives TP Deliverability for all or a portion of its project after attesting that

- (a) it had a power purchase agreement, and the Load Serving Entity or procuring entity unilaterally terminates that power purchase agreement through no fault of the Interconnection Customer; or
- (b) it was actively negotiating a power purchase agreement or on an active short list to receive a power purchase agreement, and then did not finalize a power purchase agreement.

the Interconnection Customer may park its Interconnection Request, and re-seek TP Deliverability with its Queue Cluster. Alternatively, if such an Interconnection Customer's Queue Cluster is no longer eligible to park and has already completed the TP Deliverability allocation cycle after its parking opportunities, the Interconnection Customer will be converted to Energy Only but will not retain cost responsibility for its assigned Delivery Network Upgrades. Such Interconnection Customers may elect to reduce their Interconnection Financial Security as a result.

...

Section 9 Additional Deliverability Assessment Options

9.1 [Intentionally Omitted]

9.2 [Intentionally Omitted] Annual Full Capacity Deliverability Option

9.2.1 — Generating Facilities eligible for Deliverability under this Section are

- (i) — a Generating Facility previously studied as Energy-Only Deliverability Status in any prior Interconnection Study under the CAISO Tariff (including a Small Generating Facility studied under the provisions of Appendix S of the CAISO Tariff), and for which all Interconnection Studies have been completed, or which has a GIA under which the Generating Facility is Energy-Only Deliverability Status and such GIA is in good standing at the time of request under this Section;
- (ii) — an Option (A) Generating Facility not allocated TP Deliverability in any prior Interconnection Study Cycle that converted to Energy-Only Deliverability Status and has a GIA in good standing and desires to seek additional Deliverability with respect to the Energy-Only portion of the Generating Facility;
- (iii) — an Option (B) Generating Facility which chose Partial Capacity Deliverability Status and has a GIA in good standing, and desires to seek additional Deliverability with respect to the Energy-Only portion of its Generating Facility.

An eligible Generating Facility will have an option to be studied to determine whether it can be designated for Full Capacity Deliverability Status or Partial Capacity Deliverability Status based on available transmission capacity. To be considered in the annual assessment, the Interconnection Customer must make such a request which complies with Section 9.2.3 below within the corresponding annual Cluster Application Window.

9.2.2 — Any Interconnection Customer selecting this option will be studied immediately following the Phase II Deliverability assessment in the Interconnection Study Cycle in which the Interconnection Customer submitted the request.

9.2.3 — Interconnection Customers must submit an Interconnection Request as set forth in Appendix 1 along with a non-refundable \$10,000 study fee.

9.2.4 — After allocating transmission system capability, including capability associated with both existing capability and capability relating to approved transmission upgrades, to Interconnection Customers in the Queue Cluster who originally requested Full Capacity Deliverability Status in the Phase II Interconnection Study, the CAISO will perform additional studies using the Deliverability study procedures set forth in Section 6.3.2 to determine the availability of any remaining transmission system capability for Interconnection Customers requesting Full Capacity Deliverability Status as part of the annual process described in this Section.

9.2.4.1 — In determining available transmission capability, priority will be given to Interconnection Customers whose Generating Facilities have the lowest transfer distribution factors, calculated according to the Deliverability study procedures.

9.2.4.2 — If there is sufficient available transmission capability for the Interconnection Customer to achieve Full Capacity Deliverability Status, then the Interconnection Customer's Generating Facility will be considered to have Full Capacity Deliverability Status.

9.2.4.3 — If the assessment of available transmission capability conducted under this Section indicates that there is some transmission capacity available for use by the Interconnection Customer, but less than

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~~is necessary to achieve Full Capacity Deliverability Status for the Interconnection Customer's Generating Facility, then the Interconnection Customer's Generating Facility will be considered to be partially deliverable, and the amount of transmission capability made available to that Interconnection Customer's Generating Facility will be equal to the determination of available transmission capability for the Generating Facility rounded down to the nearest 50 MW increment.~~

...

8.9.7 [Intentionally Omitted] Consequences of Failure to Retain TP Deliverability

~~An Interconnection Customer's failure to retain its allocation of TP Deliverability shall not be considered a Breach of the GIA. Upon failure of the Interconnection Customer to retain TP Deliverability, the Deliverability status of the Generating Facility corresponding to the Interconnection Request shall convert to Energy Only Deliverability Status as to that portion of the Generating Facility which has not retained the TP Deliverability.~~

11.2 Interconnection Financial Security-Initial Posting for Queue Cluster Customers

11.2.1 Each Interconnection Customer in a Queue Cluster shall post, with notice to the CAISO, two separate Interconnection Financial Security instruments: (i) a posting relating to the applicable Network Upgrades; (ii) a posting relating to the Participating TO's Interconnection Facilities.

~~Interconnection Customers owned by Participating Transmission Owners are not required to post Interconnection Financial Security to themselves. Notwithstanding this exemption, Interconnection Customers owned by Participating Transmission Owners (i) must post Interconnection Financial Security required for Network Upgrades or Participating TO's Interconnection Facilities on other Participating Transmission Owner's systems where required for interconnection; and (ii) must remit to the CAISO any non-fundable portion of the Interconnection Financial Security that would have been required upon withdrawal or termination absent this exemption pursuant to Sections 7.6 and 11.4.~~

11.2.7 Effect of Decrease in Output ~~Re-calculation of~~ Initial Posting Requirement.

~~If an Interconnection Customer decreases the electrical output of its facility~~withdrawals, modifications, or system changes occur after the completion of the Phase I Interconnection Study, pursuant to Section 6.7.2, and the CAISO, in consultation with the applicable Participating TO(s), is able to reasonably determine, prior to the date for initial posting of Interconnection Financial Security, that as a result ~~of such decrease (solely or in combination with other modifications made by Interconnection Customers in the same Study Group)~~ some of the Network Upgrades and/or Participating TO Interconnection Facilities identified in the Phase I Interconnection Study will no longer be required, then the calculation of the initial posting of Interconnection Financial Security will not include those Network Upgrades and/or Participating TO Interconnection Facilities. Such determination will be made based on the CAISO's best engineering judgment and will not include any re-studies.

...

11.4 Withdrawal or Termination-Effect on Financial Security

Except as set forth ~~in Section 11.4.1 below~~, withdrawal of an Interconnection Request or termination of a GIA shall allow the applicable Participating TO(s) to liquidate the Interconnection

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Financial Security, or balance thereof, posted by the Interconnection Customer for Network Upgrades at the time of withdrawal.

To the extent the amount of the liquidated Interconnection Financial Security plus capital, if any, separately provided by the Interconnection Customer to satisfy its obligation to finance Network Upgrades exceeds the total cost responsibility for Network Upgrades assigned to the Interconnection Customer, the applicable Participating TO(s) shall remit to the Interconnection Customer the excess amount.

Withdrawal of an Interconnection Request or termination of a GIA shall result in the release to the Interconnection Customer of any Interconnection Financial Security posted by the Interconnection Customer for Participating TO Interconnection Facilities, except with respect to any amounts necessary to pay for costs incurred or irrevocably committed by the applicable Participating TO(s) on behalf of the Interconnection Customer for the Participating TO's Interconnection Facilities and for which the applicable Participating TO(s) has not been reimbursed.

11.4.1 ~~[Not Used] Conditions for Partial Recovery of Interconnection Financial Security Upon Withdrawal of Interconnection Request or Termination of GIA~~

~~A portion of the Interconnection Financial Security shall be released to the Interconnection Customer, consistent with Section 11.4.2, if the withdrawal of the Interconnection Request or termination of the GIA occurs for any of the following reasons:~~

- ~~(a) Failure to Secure a Power Purchase Agreement. At the time of withdrawal of the Interconnection Request or termination of the GIA, the Interconnection Customer demonstrates to the CAISO that it has failed to secure an acceptable power purchase agreement for the Energy or capacity of the Generating Facility after a good faith effort to do so. A good faith effort can be established by demonstrating participation in a competitive solicitation process or bilateral negotiations with an entity other than an Affiliate that progressed, at minimum, to the mutual exchange by all counter-parties of proposed term sheets.~~

~~Interconnection Customers that attested on the TP Deliverability Affidavit under Section 8.9.2, part (2), subpart (a) are ineligible to claim this condition for partial recovery of Interconnection Financial Security.~~

- ~~(b) Failure to Secure a Necessary Permit. At the time of withdrawal of the Interconnection Request or termination of the GIA, the Interconnection Customer demonstrates to the CAISO that it has received a final denial from the primary issuing Governmental Authority of any permit or other authorization necessary for the construction or operation of the Generating Facility.~~
- ~~(c) Increase in the Cost of Participating TO's Interconnection Facilities. The Interconnection Customer withdraws the Interconnection Request or terminates the GIA based on an increase of more than 30% or \$300,000, whichever is greater, in the estimated cost of Participating TO's Interconnection Facilities between the Phase I Interconnection Study and the Phase II Interconnection Study, provided, however, that the Interconnection Financial Security shall not be released if this increase in the estimated cost is due to the Interconnection Customer's requested modification to the interconnection configuration.~~
- ~~(d) Material Change in Interconnection Customer Interconnection Facilities Created by a CAISO Change in the Point of Interconnection. The Interconnection Customer withdraws the Interconnection Request or terminates the GIA based on a material change from the Phase I Interconnection Study in the Point of~~

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~~Interconnection for the Generating Facility mandated by the CAISO and included in the final Phase II Interconnection Study. A material change in the Point of Interconnection shall be where Point of Interconnection has moved to (i) a different substation, (ii) a different line on a different right of way, or (iii) a materially different location than previously identified on the same line.~~

~~(e) An Interconnection Customer having selected Option (A) in accordance with Section 7.2 is not allocated TP Deliverability and notifies the CAISO of its election to withdraw by the deadline for the second posting of Interconnection Financial Security. This condition does not apply to an Interconnection Customer whose Generating Facility was allocated TP Deliverability for a portion of its Interconnection Request and elected to seek additional Deliverability in the next TP Deliverability allocation process.~~

~~(f) For an Interconnection Customer having selected Option (B) in accordance with Section 7.2 an increase in the Phase II Interconnection Study cost estimates for ANDUs over the Phase I Interconnection Study cost estimates for ANDUs of either twenty (20) percent, or \$20 million, whichever is less. Provided, however, that the Interconnection Financial Security shall not be released if this increase in the estimated cost of ANDUs is due to the Interconnection Customer's requested modification to the interconnection configuration.~~

11.4.2 Determining Refundable Portion of the Interconnection Financial Security for Network Upgrades.

11.4.2.1 Withdrawal Between the First Posting and the Deadline for the Second Posting

If the Interconnection Customer either withdraws its Interconnection Request or terminates its GIA ~~under any of the conditions (a)-(f) of Section 11.4.1 above and~~ at any time between the initial posting and the deadline for the second posting of the Interconnection Financial Security for applicable Network Upgrades, then the applicable Participating TO(s) shall liquidate the Interconnection Financial Security for the applicable Network Upgrades and reimburse the Interconnection Customer the lesser of:

- a. the Interconnection Financial Security plus (any other provided security plus any separately provided capital) less (all costs and expenses incurred or irrevocably committed to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer); or
- b. the Interconnection Financial Security plus (any other provided security plus any separately provided capital) minus the lesser of fifty (50) percent of the value of the posted Interconnection Financial Security for Network Upgrades or \$10,000 per requested and approved, pre-downsized megawatt of the Generating Facility Capacity.

11.4.2.2 Withdrawal Between the Second Posting and the Commencement of Construction Activities

If the Interconnection Customer either withdraws or terminates its GIA ~~under any of the conditions (a)-(f) of Section 11.4.1 above and~~ at any time after the between the second posting of the Interconnection Financial Security for applicable Network Upgrades and the Commencement of Construction Activities for such Network Upgrades, then the applicable Participating TO(s) shall liquidate the Interconnection Financial Security for the applicable Network Upgrades and

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reimburse the Interconnection Customer the lesser of:

- a. the Interconnection Financial Security plus (any other provided security plus any separately provided capital) less (all costs and expenses incurred or irrevocably committed to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer) and less (any posting reduction due to the Interconnection Customer's election to self-build Stand Alone Network Upgrades); or
- b. the Interconnection Financial Security plus (any other provided security plus any separately provided capital) minus the lesser of fifty (50) percent of the value of the posted Interconnection Financial Security for Network Upgrades or \$20,000 per requested and approved, pre-downsized megawatt of the Generating Facility Capacity.

11.4.2.3 Special Treatment Based on Failure to Obtain Necessary Permit or Authorization from Governmental Authority.

If, at any time after the second posting requirement, the Interconnection Customer withdraws the Interconnection Request or terminates the GIA, as applicable, ~~in accordance with Section 11.4.1(b) because the Interconnection Customer received a final denial from the primary issuing Governmental Authority for authorization necessary for the construction or operation of the Generating Facility,~~ and the Delivery Network Upgrades to be financed by the Interconnection Customer are also to be financed by one or more other Interconnection Customers, then Section 11.4.2.2 shall apply, except that the Interconnection Customer shall not be reimbursed for its share of any actual costs incurred or irrevocably committed by the applicable Participating TO(s) for Construction Activities.

11.4.2.4 After Commencement of Construction Activities.

Except as otherwise provided in Section 11.4.2.3, once Construction Activities on Network Upgrades on behalf of the Interconnection Customer commence, any withdrawal of the Interconnection Request or termination of the GIA by the Interconnection Customer will be treated as follows:

The applicable Participating TO(s) shall liquidate the Interconnection Financial Security, or balance thereof, posted by the Interconnection Customer for Network Upgrades at the time of withdrawal.

To the extent the amount of the liquidated Interconnection Financial Security plus capital, if any, separately provided by the Interconnection Customer to satisfy its obligation to finance Network Upgrades exceeds the total cost responsibility for Network Upgrades assigned to the Interconnection Customer, the applicable Participating TO(s) shall remit to the Interconnection Customer the excess amount.

Withdrawal of an Interconnection Request or termination of a GIA shall result in the release to the Interconnection Customer of any Interconnection Financial Security posted by the Interconnection Customer for Participating TO Interconnection Facilities, except with respect to any amounts necessary to pay for costs incurred or irrevocably committed by the applicable Participating TO(s) on behalf of the Interconnection Customer for the Participating TO's Interconnection Facilities and for which the applicable Participating TO(s) has not been reimbursed in accordance with this Section.

11.4.2.5 Notification to CAISO and Accounting by Applicable Participating TO(s).

The applicable Participating TO(s) shall notify the CAISO within one (1) Business Day of liquidating any Interconnection Financial Security. Within twenty (20) calendar days of any liquidating event, the applicable Participating TO(s) shall provide the CAISO and Interconnection Customer with an accounting of the disposition of the proceeds of the liquidated Interconnection Financial Security and remit to the CAISO all proceeds not otherwise reimbursed to the Interconnection Customer or applied to costs incurred or irrevocably committed by the applicable Participating TO(s) on behalf of the Interconnection Customer in accordance with this Section.

All non-refundable portions of the Interconnection Financial Security remitted to the CAISO in accordance with this Section, and any non-refundable interconnection financial security funds that are received by the CAISO from a Participating TO pursuant to a requirement in the Participating TO's wholesale distribution tariff for such funds to be distributed by the CAISO, shall be treated in accordance with Section 7.6.

...

**Appendix 1 Interconnection Request
INTERCONNECTION REQUEST**

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Appendix A

**~~[Not Used] ASSUMPTIONS USED IN CONDUCTING THE
PHASE I INTERCONNECTION STUDY~~**

~~The Phase I Interconnection Study will be based upon the information set forth in the Interconnection Request and agreed upon in the Scoping Meeting held on _____, subject to any modifications in accordance with Section 6.2 of the GIDAP, and the following assumptions:~~

~~Designation of Point of Interconnection and configuration to be studied.~~

~~Deliverability status requested~~

~~(Full Capacity,
 Partial Deliverability for _____ percent of Full Capacity
 Energy only)~~

~~NOTICE: YOUR CHOICE OF DELIVERABILITY STATUS CAN AFFECT YOUR ABILITY TO QUALIFY YOUR GENERATING FACILITY AS A RESOURCE ADEQUACY RESOURCE OR AFFECT YOUR TRANSACTIONS FOR SALE OF POWER. PLEASE GIVE CONSIDERATION TO YOUR CHOICE OF DELIVERABILITY STATUS~~

...

Appendix 3

GENERATOR INTERCONNECTION STUDY PROCESS AGREEMENT FOR QUEUE CLUSTERS

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 California Independent System Operator Corporation, a California nonprofit public benefit corporation existing under the laws of the State of California, ("CAISO"). The Interconnection Customer and the CAISO each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by the Interconnection Customer dated _____; and

WHEREAS, the Interconnection Customer desires to interconnect the Generating Facility with the CAISO Controlled Grid pursuant to ~~the Queue Cluster process~~ Appendix DD to the CAISO Tariff; and

WHEREAS, the Interconnection Customer has requested the CAISO to conduct or cause to be performed Interconnection Studies to assess the system impact of interconnecting the Generating Facility to the CAISO Controlled Grid and to specify and estimate the cost of the equipment, engineering, procurement and construction work needed on the Participating TO's electric system in accordance with Good Utility Practice to physically and electrically connect the Generating Facility to the CAISO Controlled Grid;

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 the CAISO's FERC-approved Generation Interconnection and Deliverability Allocation Procedures in CAISO Tariff Appendix DD "GIDAP" or the Master Definitions Supplement, Appendix A to the CAISO Tariff, as applicable.
- 2.0 The Interconnection Customer elects and the CAISO shall conduct or cause to be performed Interconnection Studies, including any accelerated Interconnection Study, in accordance with the CAISO Tariff.
- 3.0 The scope of the Interconnection Studies shall be subject to the assumptions set forth in Appendices A and B to this Agreement.
- 4.0 The Interconnection Studies will be based upon the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified ~~as the result of the Scoping Meeting, subject to any modifications in accordance with Section 6.7.1 of the and modifications to the proposed Commercial Operation Date of the Generating Facility permitted by the GIDAP~~ under the CAISO Tariff. The CAISO reserves

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the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Studies. ~~If the Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the Interconnection Studies may be modified as specified in the GIDAP.~~

5.0 ~~The Interconnection Study report for each Interconnection Study shall provide the information specified in the GIDAP. [Not used]~~

6.0 ~~Consistent with the GIDAP and CAISO Tariff, the Interconnection Customer shall will provide an Interconnection Study Deposit, a Site Exclusivity Deposit, if applicable, and other Interconnection Financial Security for the performance of the Interconnection Studies in accordance with the provisions of Sections 3.5.1 and 4.1 of the GIDAP deposits and pay its share of actual costs of applicable studies, including in excess of provided deposits. The CAISO and Participating TO will provide invoices and refunds on a timely basis as required by the GIDAP and the CAISO Tariff.~~

~~Following the issuance of an Interconnection Study report, the CAISO shall charge and the Interconnection Customer shall pay its share of the actual costs of the Interconnection Study pursuant to Section 3.5.1 of the GIDAP.~~

~~Any difference between the deposits made toward the Interconnection Study process and associated administrative costs, including any accelerated studies, and the actual cost of the Interconnection Studies and associated administrative costs shall be paid by or refunded to the Interconnection Customer, in the appropriate allocation, in accordance with Section 3.5.1 of the GIDAP.~~

7.0 Pursuant to Section 3.7 of the GIDAP, the CAISO will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems. The CAISO may provide a copy of ~~the Phase I Interconnection Study results~~ Interconnection Studies or other assessments to an Affected System Operator and the Western Electricity Coordinating Council. Requests for review and input from Affected System Operators or the Western Electricity Coordinating Council may arrive at any time prior to interconnection.

8.0 Substantial portions of technical data and assumptions used to perform the Phase I Interconnection Study, such as system conditions, existing and planned generation, and unit modeling, may change after the CAISO provides the Interconnection Study results to the Interconnection Customer. Interconnection Study results will reflect available data at the time the CAISO provides the Phase I Interconnection Study report to the Interconnection Customer. The CAISO shall not be responsible for any additional costs, including, without limitation, costs of new or additional facilities, system upgrades, or schedule changes, that may be incurred by the Interconnection Customer as a result of changes in such data and assumptions.

9.0 **[NOT USED]**

10.0 The CAISO ~~and Participating TO(s)~~ shall maintain records and accounts of all costs incurred in performing the Interconnection Study in sufficient detail to allow verification of all costs incurred, including associated overheads. The Interconnection Customer shall have the right, upon reasonable notice, within a reasonable time at the CAISO's offices and at its own expense, to audit the CAISO's records as necessary and as appropriate in order to verify costs incurred by the CAISO. Any audit requested by the Interconnection Customer shall be completed, and written notice of any audit dispute provided to the CAISO representative, within one hundred eighty (180) calendar days following receipt by

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the Interconnection Customer of the CAISO's notification of the final costs of the Interconnection Study.

- 11.0 In accordance with Section 3.8 of the GIDAP, the Interconnection Customer may withdraw its Interconnection Request at any time by written notice to the CAISO. Upon receipt of such notice, this Agreement shall terminate, subject to the requirements of Section 3.5.1 and 11.4 of the GIDAP.
- 12.0 ~~Pursuant to Section 6.1.1 of the GIDAP, this Agreement shall become effective upon submission to the CAISO, the date the fully executed Agreement is received by the CAISO. If the CAISO does not receive the fully executed Agreement and deposit or other Interconnection Financial Security pursuant to Section 3.5.1 of the GIDAP, then the Interconnection Request will be deemed withdrawn upon the Interconnection Customer's receipt of written notice by the CAISO pursuant to Section 3.8 of the GIDAP.~~
- 13.0 Miscellaneous.
- 13.1 Dispute Resolution. Any dispute, or assertion of a claim, arising out of or in connection with this Agreement, shall be resolved in accordance with Section 15.5 of the GIDAP.
- 13.2 Confidentiality. Confidential Information shall be treated in accordance with Section 15.1 of the GIDAP.
- 13.3 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 13.4 Conflicts. In the event of a conflict between the body of this Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.
- 13.5 Rules of Interpretation. This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any applicable laws and regulations means such applicable laws and regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article or Section of this Agreement or such Appendix to this Agreement, or such Section of the GIDAP or such Appendix to the GIDAP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section, or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".
- 13.6 Entire Agreement. This Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this

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Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this Agreement.

- 13.7 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.
- 13.8 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 the Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Participating TO or CAISO. Any waiver of this Agreement shall, if requested, be provided in writing.

Any waivers at any time by any Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.

- 13.9 Headings. The descriptive headings of the various Articles and Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 13.10 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.
- 13.11 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by both of the Parties.
- 13.12 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this Agreement by a written instrument duly executed by both of the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all applicable laws and regulations.
- 13.13 Reservation of Rights. The CAISO shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement 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 another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

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- 13.14 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 any Party. No 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, another Party.
- 13.15 Assignment. This Agreement may be assigned by a Party only with the written consent of the other Party; provided that a 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 the Interconnection Customer shall have the right to assign this Agreement, without the consent of the other Party, for collateral security purposes to aid in providing financing for the Generating Facility, provided that the Interconnection Customer will require any secured party, trustee or mortgagee to notify the other Party of any such assignment. Any financing arrangement entered into by the Interconnection Customer pursuant to this Section 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 the other Party of the date and particulars of any such exercise of assignment right(s). Any attempted assignment that violates this Section is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

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.

California Independent System Operator Corporation

By: _____

Printed Name: _____

Title: _____

Date: _____

[Insert name of the Interconnection Customer]

By: _____

Printed Name: _____

Title: _____

Date: _____

Appendix EE

5.16 Suspension. The Interconnection Customer ~~reserves the right, upon written notice to the Participating TO and the CAISO, may request~~ to suspend at any time all work associated with the construction and installation of the Participating TO's Interconnection Facilities, Network Upgrades, and/or Distribution Upgrades required under this LGIA, other than Network Upgrades identified in the Phase II Interconnection Study as common to multiple generating facilities, ~~with the condition that Interconnection Customers seeking to suspend construction will provide the CAISO and Participating TO a request for assessment pursuant to Section 6.7.2-3 of the GIDAP, an modification assessment deposit, and an anticipated end date of the suspension.~~ Interconnection Customers may request a suspension for the maximum amount of time in lieu of providing an anticipated end date. The CAISO and Participating TO will approve suspension requests where:

- (a) _____ the Participating TO's electrical system and the CAISO Controlled Grid shall can be left in a safe and reliable condition in accordance with Good Utility Practice, and the Participating TO's safety and reliability criteria, and the CAISO's Applicable Reliability Standards; and
- (b) _____ the CAISO and Participating TO determine that the suspension will not result in a Material Modification.

During suspension, Interconnection Customers may request to extend or shorten their suspension period, consistent with the maximum period provided in this Article. The CAISO and Participating TO will approve such requests where they meet criteria (a) and (b), above. Requests to extend or shorten extensions will not require a new modification assessment request and deposit. In such event, the The Interconnection Customer shall be responsible for all reasonable and necessary costs for suspension for which the Participating TO (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 Participating TO's electric system during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which the Participating TO cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, the Participating TO shall obtain Interconnection Customer's authorization to do so.

Network Upgrades common to multiple generating facilities, and to which the Interconnection Customer's right of suspension shall not extend, consist of Network Upgrades identified for:

- (i) generating facilities which are the subject of all Interconnection Requests made prior to the Interconnection Customer's Interconnection Request;
- (ii) generating facilities which are the subject of Interconnection Requests within the Interconnection Customer's queue cluster; and
- (iii) generating facilities that are the subject of Interconnection Requests that were made after the Interconnection Customer's Interconnection Request but no later than the date on which the Interconnection Customer's Phase II Interconnection Study Report is issued, and have been modeled in the Base Case at the time the Interconnection Customer seeks to exercise its suspension rights under this Article.

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The Participating TO shall invoice the Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work required under this LGIA pursuant to this Article 5.16, and has not requested the Participating TO to recommence the work or has not itself recommenced work required under this LGIA in time to ensure that the new projected Commercial Operation Date for the full Generating Facility Capacity of the Large Generating Facility is no more than three (3) years from the Commercial Operation Date identified in Appendix B hereto, this LGIA shall be deemed terminated and the Interconnection Customer's responsibility for costs will be determined in accordance with Article 2.4 of this LGIA. The suspension period shall begin on the date the ~~suspension is requested~~Interconnection Customer provides in its request, if approved or upon approval, whichever is later, or the date of the written notice to the Participating TO and the CAISO, if no effective date is specified. Ninety (90) days before the anticipated end date of the suspension, the Participating TO and the CAISO will tender an amended draft LGIA with new construction milestones. The Parties agree to negotiate the amended draft LGIA in good faith such that it can be executed by the end of the suspension.

Interconnection Customers that received a TP Deliverability allocation on the basis of proceeding without a power purchase agreement may not request suspension.

...

5.19 Modification.

5.19.1 General. The Interconnection Customer or the Participating TO may undertake modifications to its facilities, subject to ~~the provisions of this LGIA and the CAISO Tariff, Section 25.1(c) and Section 25 of the CAISO Tariff if the Interconnection Customer has achieved Commercial Operation, and subject to Section 6.7.2 of Appendix DD if it has not.~~

_____ If a Party plans to undertake a modification that reasonably may be expected to affect the other Parties' facilities, that Party shall provide to the other Parties sufficient information regarding such modification so that the other Parties 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 Parties 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.

_____ Notwithstanding Section 7.5 of Appendix DD, at any time after achieving Commercial Operation, the Interconnection Customer may reduce the megawatt generating capacities

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of its Generating Facilities, subject to Section 25.1(c) of the CAISO Tariff. Section 7.5.11 of Appendix DD will still apply to such requests to reduce capacity.

~~In the case of Large Generating Facility modifications that do not require the Interconnection Customer to submit an Interconnection Request, the CAISO or Participating TO shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the CAISO-Controlled Grid, Participating TO's Interconnection Facilities, Network Upgrades or Distribution Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof. The Participating TO and the CAISO shall determine if a Large Generating Facility modification is a Material Modification in accordance with the GIDAP.~~

- 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.** The Interconnection Customer shall not be directly assigned the costs of any additions, modifications, or replacements that the Participating TO makes to the Participating TO's Interconnection Facilities or the Participating TO's Transmission System to facilitate the interconnection of a third party to the Participating TO's Interconnection Facilities or the Participating TO's Transmission System, or to provide transmission service to a third party under the CAISO Tariff. The Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to the Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Appendix U²

6.4 Re-Study

If re-study of the Interconnection Feasibility Study is required due to a higher queued project dropping out of the queue, or a modification of a higher queued project subject to LGIP Section 4.4, or re-designation of the Point of Interconnection pursuant to LGIP Section 6.1, or any other effective change in information which necessitates a re-study, the CAISO shall notify the Interconnection Customer and the applicable Participating TO(s) in writing along with providing a description of the expected results of the re-study. Upon receipt of such notice, the Interconnection Customer shall provide the CAISO within ten (10) Business Days either a written request that the CAISO (i) terminate the study and withdraw the Interconnection Request; or (ii) continue the study. If the Interconnection Customer requests the CAISO to continue the study, the Interconnection Customer shall pay the CAISO an additional \$540,000 deposit for the re-study along with providing written notice for the CAISO to continue.

Such re-study shall take not longer than forty-five (45) calendar days from the date the CAISO receives the Interconnection Customer's written notice to continue the study and payment of the additional \$540,000 deposit. The CAISO shall share applicable study results for review, provide the study results for review and comment to any other potentially-impacted Participating TO(s), incorporate comments, and issue a final study to the Interconnection Customer within sixty (60) calendar days from the date the CAISO receives the Interconnection Customer's written notice to continue the study and payment of the additional \$540,000 deposit. If the Interconnection Feasibility Study cannot be completed within that time period, the CAISO shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Any and all costs of the re-study shall be borne by the Interconnection Customer being re-studied. If the actual costs of the re-study are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer will pay the balance within thirty (30) days of being invoiced. The CAISO will coordinate the re-study with the Participating TO(s). The Participating TO(s) will invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within thirty (30) days thereafter, the CAISO will issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.

...

7.6 Re-Study

If re-study of the Interconnection System Impact Study is required due to a higher queued project dropping out of the queue, a modification of a higher queued project subject to LGIP Section 4.4, or re-designation of the Point of Interconnection pursuant to LGIP Section 7.2, or any other effective change in information which necessitates a re-study, the CAISO shall notify the Interconnection Customer in writing along with providing a description of the expected results of the re-study. Upon receipt of such notice, the Interconnection Customer shall provide the CAISO within ten (10) Business Days either a written request that the CAISO (i) terminate the study and withdraw the Interconnection Request; or (ii) continue the study. If the Interconnection Customer requests the CAISO to continue the study, the Interconnection Customer shall pay the CAISO an additional \$540,000 deposit for the re-study along with providing written notice for the CAISO to continue.

Such re-study shall take no longer than sixty (60) calendar days from the date the CAISO receives the Interconnection Customer's written notice to continue the study and payment of the additional \$540,000 deposit. The CAISO will share applicable study results with the applicable Participating TO(s) for review and comment, and will incorporate comments into the study report.

² These revisions include only those revisions that are unique to Appendix U. Appendix U provisions that mirror Appendix DD provisions will be revised as well.

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The CAISO will issue a final study report to the Interconnection Customer within eighty (80) calendar days following receipt of the Interconnection Customer's written notice to continue the study and payment of the additional \$540,000 deposit. If the Interconnection System Impact Study cannot be completed within that time period, the CAISO shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Any and all costs of re-study shall be borne by the Interconnection Customer being re-studied. If the actual costs of the re-study are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer will pay the balance within thirty (30) days of being invoiced. The CAISO will coordinate the re-study with the Participating TO(s). The Participating TO(s) will invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within thirty (30) days thereafter, the CAISO will issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.

...

8.5 Re-Study

If re-study of the Interconnection Facilities Study is required due to a higher queued project dropping out of the queue or a modification of a higher queued project pursuant to LGIP Section 4.4, or any other effective change in information which necessitates a re-study, the CAISO shall so notify the Interconnection Customer in writing. Upon receipt of such notice, the Interconnection Customer shall provide the CAISO within ten (10) Business Days a written request that the CAISO either (i) terminate the study and withdraw the Interconnection Request; or (ii) continue the study. If the Interconnection Customer requests the CAISO to continue the study, the Interconnection Customer shall pay the CAISO an additional \$540,000 deposit for the re-study along with providing written notice for the CAISO to continue.

Such re-study shall take no longer than sixty (60) calendar days from the date the CAISO receives the Interconnection Customer's written notice to continue the study and payment of the additional \$540,000 deposit. The CAISO shall share applicable study results with the applicable Participating TO(s) for review and comment and incorporate comments, as appropriate. The CAISO will issue a final Interconnection Facilities Study report to the Interconnection Customer within eighty (80) calendar days following receipt of the Interconnection Customer's written notice to continue the study and payment of the additional \$540,000 deposit. If the Interconnection Facilities Study cannot be completed within that time period, the CAISO shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Any and all costs of re-study shall be borne by the Interconnection Customer being re-studied. If the actual costs of the re-study are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer will pay the balance within thirty (30) days of being invoiced. The CAISO will coordinate the re-study with the Participating TO(s). The Participating TO(s) will invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within thirty (30) days thereafter, the CAISO will issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.

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10.1 Optional Interconnection Study Agreement

On or after the date when the Interconnection Customer receives Interconnection System Impact Study results, the Interconnection Customer may request, and the CAISO shall conduct or cause to be conducted, a reasonable number of Optional Interconnection Studies. The request shall describe the assumptions that the Interconnection Customer wishes to be studied within the scope described in LGIP Section 10.2. Within five (5) Business Days after receipt of a request for an Optional Interconnection Study, the CAISO shall provide to the Interconnection Customer an

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Optional Interconnection Study Agreement.

The Optional Interconnection Study Agreement shall: (i) specify the technical data that the Interconnection Customer must provide for each phase of the Optional Interconnection Study, (ii) specify the Interconnection Customer's assumptions as to which Interconnection Requests with higher Queue Positions 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) the CAISO's estimate of the cost of the Optional Interconnection Study. To the extent known by the CAISO, 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, the CAISO shall not be required as a result of an Optional Interconnection Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request.

The Interconnection Customer shall execute the Optional Interconnection Study Agreement within ten (10) Business Days of receipt and deliver the Optional Interconnection Study Agreement, the technical data and a \$540,000 deposit to the CAISO as applicable. If the actual costs of the study are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer will pay the balance within thirty (30) days of being invoiced. The CAISO will coordinate the study with the Participating TO(s). The Participating TO(s) will invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within thirty (30) days thereafter, the CAISO will issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.

...

12.2.4 Amended Interconnection Study

An Interconnection Study will be amended, as needed, to determine the facilities necessary to support the requested In-Service Date as specified in the LGIA. This amended study will include those transmission facilities, Large Generating Facilities and any other generating facilities that are expected to be in service on or before the requested In-Service Date. If an amendment to an Interconnection Study is required, the CAISO shall notify the Interconnection Customer in writing. Upon receipt of such notice, the Interconnection Customer shall provide the CAISO within ten (10) Business Days a written request that the CAISO either (i) terminate the amended study and withdraw the Interconnection Customer's Interconnection Request or (ii) continue with the amended study. If the Interconnection Customer requests the CAISO to continue with the amended study, the Interconnection Customer shall pay the CAISO an additional \$540,000 deposit for the amended study along with providing written notice for the CAISO to continue. Such amended study shall take no longer than sixty (60) calendar days from the date the CAISO receives the Interconnection Customer's written notice to continue the study and payment of the additional \$540,000 deposit. The CAISO shall share applicable study results with the applicable Participating TO(s) for review and comment, and incorporate comments and issue a final study to the Interconnection Customer within eighty (80) calendar days from the date of the Interconnection Customer's written notice to continue the study and payment of the additional \$540,000 deposit. If the amended Interconnection Study cannot be completed within that time period, the CAISO shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Any and all costs of the amended study shall be borne by the Interconnection Customer being re-studied. If the actual costs of the study are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer will pay the balance within thirty (30) days of being invoiced. The CAISO will coordinate the study with the Participating TO(s). The Participating TO(s) will invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within thirty (30) days thereafter, the CAISO will issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.