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AUG 17 2015
MONT. P.S. COMMISSION

Attorney for Petitioner Greycliff Wind Prime, LLC

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER of the Petition of
Greycliff Wind Prime, LLC To Set Terms
and Conditions for Qualifying Small Power
Production Facility Pursuant to M.C.A. §
69-3-603

UTILITY DIVISION

DOCKET NO. _____

**GREYCLIFF WIND PRIME, LLC'S PETITION TO HAVE COMMISSION SET
CONTRACT TERMS AND CONDITIONS PURSUANT TO M.C.A. § 69-3-603**

I. INTRODUCTION.

Petitioner Greycliff Wind Prime, LLC (hereinafter "Greycliff"), acting by and through counsel, hereby files this petition with the Montana Public Service Commission ("Commission") to require NorthWestern Energy ("NWE") to set terms and conditions pursuant to M.C.A. § 69-3-603. Under M.C.A. § 69-3-603(2), the Commission has 180 days to adopt contract terms and conditions.

Greycliff has formally requested that NWE purchase the output from its 25 Megawatt ("MW") project as a Qualifying Facility ("QF") under the Public Utility Regulatory Policies Act of 1978 ("PURPA"), 16 U.S.C. § 824-a3 et seq.¹ See attached letter from Michael J. Uda, to

¹ Greycliff's wind project is variously referred to herein as "Greycliff" or "Greycliff Project" or "the Project."

NWE, dated July 2, 2015, incorporated herein as Exhibit 1. Thus far, NWE has not agreed to do so. NWE responded as requested on July 10, 2015. See NWE letter to Michael J. Uda, attached hereto as Exhibit 2. In NWE's response letter, NWE denied that Greycliff had incurred a LEO on the grounds that: (1) Greycliff's proposal was inconsistent with its avoided costs as Greycliff's prior agreement was for a lower rate of \$42.92 per Megawatt Hour ("MWH") escalated at 1.5 per cent annually; (2) although the Federal Energy Regulatory Commission announced in *Hydrodynamics*, 146 FERC ¶ 61,193, P. 33 (2014) that A.R.M. § 38.5.1902(5) requiring a QF larger than the standard offer threshold was an unreasonable implementation of PURPA and it constituted a "practical disincentive to amicable contract formation because a utility may refuse to negotiate with a QF at all" FERC's declaratory ruling, however, has been largely ignored by this Commission. NWE is refusing to negotiate new contracts with PURPA qualifying facilities ("QFs") because the Commission has not repealed or amended A.R.M. § 38.5.1902(5). Whether the Commission chooses to repeal A.R.M. § 38.5.1902(5) or whether NWE is still relying on a rule that FERC declared an unreasonable interpretation of FERC's rules. Neither of these contentions have merit, as is discussed below.

Under M.C.A. §69-3-603(1), if a utility and a QF are unable to agree, the Commission is required to set rates and conditions for the power purchase agreement ("PPA") to sell the QF's energy and capacity to a utility. Furthermore, under the Commission's remand order in *In the Matter of the Petition of Whitehall Wind, LLC, for QF Rate Determination*, the Commission held:

To establish an LEO, a QF must tender an executed power purchase agreement to the utility with a price term consistent with the utility's avoided costs, with specified beginning and ending dates, and with sufficient guarantees to ensure performance during the term of the contract, and an executed interconnection agreement. The executed contract demonstrates an unconditional commitment. If the utility also executes the contract, the utility would be able to enforce the

obligations undertaken by the QF. Interconnection expenses may be so high as to derail an otherwise feasible project. Only by acknowledging and agreeing to an interconnection agreement can a QF demonstrate that it is prepared to proceed despite any interconnection obstacles. Further, an interconnection agreement requires that a QF have sufficiently defined its project and made adequate progress that the project would be more than a mere speculative, paper proposal.

Order 6444e, Docket D2002.8.100, at ¶ 47 (June 4, 2010) (hereinafter, “WHW Order”).

The Commission thus has set forth the requirement that a QF’s petition filed pursuant to § 69-3-603, MCA, must demonstrate: (1) that the QF has tendered a proposed PPA with a beginning and end date, with a proposed contract rate consistent with NWE’s avoided cost, with sufficient guarantees to ensure performance during the term of the PPA; and (2) the QF has executed an interconnection agreement with NWE. Attached hereto as Exhibits 3 and 4 to this petition are Greycliff’s proposed PPA, executed by it, which is consistent with NWE’s current avoided cost, and a signed large generator interconnection agreement (“LGIA”) with NWE’s transmission business services department, signed by Greycliff.

The Commission is not a stranger to Greycliff’s proposed project. The Greycliff Project has twice been before this Commission as a proposed Community Renewable Energy Project or “CREP” project pursuant to the Montana Renewable Power Production and Rural Economic Development Act, Title 69, Chapter 3, Part 20, Montana Code Annotated. It should be clear to the Commission that Greycliff has expended considerable resources in attempting to obtain CREP approval from the Commission and in developing its wind project. The Greycliff Project is now self-certified as a QF under the Federal Energy Regulatory Commission’s (“FERC”) regulations utilizing FERC form 556. Both NWE and the Commission have been properly provided with Greycliff’s notice of self-certification.

The economic viability of the Greycliff project depends vitally upon being able to take advantage of the federal production tax credit (“PTC”). The PTC will also enable NWE’s

customers to receive the benefits of the PTC in the way of lower prices for Greycliff's generation. Further delay in approving Greycliff's proposed agreement which includes all the essential terms required by the WHW Order will only result in harm to both Greycliff and ratepayers. Greycliff's proposed PPA is modeled on its CREP proposal, with the insertion of key terms which are dictated by the Public Utility Regulatory Policies Act of 1978 ("PURPA"), 16 U.S.C. § 824a-3 *et seq.*, FERC's regulations implemented pursuant thereto, and Montana's Mini-PURPA, M.C.A. §§ 69-3-601 through -604.

Under M.C.A. § 69-3-603(1), if a QF and a utility are unable to agree on a contract, then "the commission shall require the utility to purchase the electricity under rates and conditions established under the provisions of subsection (2)." NWE has not agreed to enter into the proposed agreement with Greycliff, despite Greycliff clearly meeting the requirements of the test set forth in the WHW Order. Thus, Greycliff seeks Commission resolution to approve Greycliff's proposed PPA or to set appropriate terms and conditions for their power purchase and sale agreements ("PPA") with NWE within the time frame set forth in M.C.A. § 69-3-603(2).

II. PARTIES.

1. The Greycliff Project is a 25 MW (nameplate capacity) wind project located near Big Timber, Montana. The Greycliff Project has created a Legally Enforceable Obligation, ("LEO"), requiring it to sell all of its output from the Project to NWE, which LEO also creates a binding obligation on the part of NWE to purchase all of Greycliff's output. Under the foregoing circumstances, Greycliff considers itself bound to the PPA submitted to this Commission as Attachment 1 hereto. Greycliff's contact information is:

Greycliff Wind Prime, LLC
c/o Mr. Patrick Pelstring
President & CEO
National Renewable Solutions, LLC

328 Barry Avenue South, Suite 100
Wayzata, MN 55391
Telephone: (952) 473-7500
ppelstring@natrs.com
www.natrs.com

Greycliff's Attorney for this proceeding is:

Michael J. Uda
Uda Law Firm, P.C.
7 Sixth Street West
Power Block West, 4H
Helena, MT 59601
Telephone: (406) 431-6775
Email: muda@mthelena.com

2. NWE is a division of NorthWestern Corporation, a Delaware Corporation. NWE is the largest public utility in the state of Montana, and among those utilities subject to PURPA.

The contact information for the defendant in this matter is:

NorthWestern Energy
40 East Broadway
Butte, MT 59701-9394
(800) 245-6977

III. JURISDICTION

3. This Commission has jurisdiction over power purchase agreement issues by virtue of the Public Utility Regulatory Policies Act of 1978 (hereinafter referred to as "PURPA"), 16 U.S.C. § 824, *et seq.*, and the Montana corollary, M.C.A. §§ 69-3-601 through 604 (Montana's "Mini-PURPA").

IV. CORRESPONDENCE AND NEGOTIATION BACKGROUND.

4. As a self-certified QF, Greycliff is a beneficiary of both PURPA and Montana's "Mini-PURPA". Both statutes require NWE to purchase Greycliff's electrical generation at NWE's full avoided cost.

5. Under Montana law, if the utility and a QF are unable to mutually agree on the terms and conditions of an agreement for the purchase and sale of that output, the QF or the utility may request the Commission to require the purchase under terms and conditions established by the Commission. M.C.A. § 69-3-603. That provision states:

69-3-603. Required sale of electricity under rates and conditions prescribed by commission. (1) If a qualifying small power production facility and a utility are unable to mutually agree to a contract for the sale of electricity or a price for the electricity to be purchased by the utility, the commission shall require the utility to purchase the electricity under rates and conditions established under the provisions of subsection (2).

(2) The commission shall determine the rates and conditions of the contract upon petition of a qualifying small power production facility or a utility or during a rate proceeding involving the review of rates paid by a utility for electricity purchased from a qualifying small power production facility. The commission shall render a decision within 180 days of receipt of the petition or before the completion of the rate proceeding. The rates and conditions of the determination shall be made according to the standards prescribed in 69-3-604.

6. The Commission is hereby requested to determine terms and conditions for the Greycliff Project within 180 days of receiving this petition. M.C.A. § 69-3-603(2).

7. As noted, Greycliff was twice selected by NWE as a Community Renewable Energy Project pursuant to Title 69, Chapter 3, Part 20, MCA. See Dockets D2014.1.9, D2015.2.18, and D2015.3.23. Twice the Commission did not approve Greycliff as a CREP, in part due to concerns about whether Greycliff's proposed financial structure met the requirements of the Montana Renewable Power Production and Rural Economic Development Act. NWE has previously twice indicated formally that it believed that the proposed rate at which Greycliff proposed to sell its electric generation to NWE was appropriate and sufficiently ratepayer protective.

8. After the Commission denied Greycliff's latest CREP proposal on May 28, 2015, Greycliff decided to proceed as a QF under PURPA. Greycliff has submitted the appropriate FERC form 556 to FERC to obtain self-certification. Attached hereto and by reference incorporated as Exhibit 5 is a copy of Greycliff's FERC form 556.

9. Greycliff sent a demand letter to NWE on July 2, 2015, indicating in the letter it had incurred a LEO under 18 C.F.R. § 292.304(d) and had met the requirements of the aforementioned WHW Order by tendering a proposed contract, with a beginning date and an ending date, with a price term consistent with NWE's avoided costs, and sufficient financial guarantees. See Exhibit 1, hereto. In form and substance, Greycliff's proposed PPA is largely the same CREP PPA that NWE had previously agreed upon. The minor changes to the PPA reflect language that is required or consistent with PURPA. The demand letter also included Greycliff's signed LGIA for a 25 MW project. Greycliff's letter to NWE requested it respond to Greycliff's LEO letter no later than July 10, 2015 by contacting Mr. Patrick Pelstring.

10. On July 10, 2014, NWE responded to Greycliff's request to enter into a PPA with NWE. See Exhibit "2," hereto. Despite the clear direction of this Commission in *Whitehall Wind* and the clear direction of FERC in *Hydrodynamics*, 146 FERC ¶ 61, 193, NWE has refused to negotiate a PPA with Greycliff and has claimed that Greycliff has not incurred a LEO for two reasons: (1) because Greycliff's price term of a levelized rate of \$53.85 levelized over a 20-year term, minus wind integration for an effective rate of \$50.35 is inconsistent with NWE's avoided costs; (2) because A.R.M. § 38.2.1902(5), requiring a QF larger than the threshold for a standard offer rate to win a competitive solicitation is still in place despite FERC's declaratory ruling that A.R.M. § 38.2.1902(5) is an unreasonable implementation of PURPA and a "practical impediment to amicable contract formation." Neither of these contentions have merit.

11. Greycliff's proposed CREP project which failed to obtain approval in Commission Dockets D2015.2.18 and D2015.3.23 did propose a rate of \$42.90/MWH escalating at 1.5 percent over a 25-year term. Levelized this rate was \$49.02/MWH, including the price of renewable energy credits. However, the CREP proposal accepted by NWE assumed that NWE's ratepayers and not Greycliff would be paying for the costs of wind integration. Mr. Bleau LaFave of NWE offered prefiled testimony before the Commission indicating that the wind integration for the Greycliff project would be in the range of \$3.61/MWH to \$6.53/MWH. Adding the cost of wind integration to NWE's agreed rate for the Greycliff Project (\$49/MWH levelized) to the \$3 to \$6/MWH proposed wind integration rate to be borne by NWE's ratepayers, means that the overall cost of Greycliff's proposed CREP PPA was in the \$52 to \$55/MWH range. Prefiled Direct Testimony of Bleau LaFave, Docket D2015.2.18, B JL-14. In this light, Greycliff's proposed PPA, based on the approval of Greenfield's Commission approved avoided cost (minus wind integration) of \$50.35/MWH is actually lower than the price of Greycliff's proposed CREP PPA rate. Consequently, NWE's argument that Greycliff is trying to be paid more than it was as a CREP is false.

12. With respect to the argument that A.R.M. § 38.2.1902(5) has not been repealed by the Commission as of the date of this filing, the Commission knows full well that it cannot stymie QF development by refusing to permit QFs to create a LEO by reliance upon A.R.M. § 38.2.1902(5). Not only has FERC told the Commission that it is an unreasonable implementation of PURPA in *Hydrodynamics*, it is a matter of being inconsistent with FERC's regulations. Nothing in 18 C.F.R. § 292.304(d) requires or even implies a state may interfere with a QF's right to create a LEO by limiting QFs to winning competitive solicitations. If NWE's point is that yet again QFs must bring an action before FERC to obtain enforcement

against the Commission to obtain their rights under PURPA, then NWE's argument is an invitation to error on the Commission's part. Perhaps most importantly, NWE did not hesitate to enter into a settlement with the Greenfield project despite initially raising the same argument in that proceeding. Greycliff merely seeks its rights under PURPA and NWE's reliance on a plainly unlawful rule is plainly unfair and not a good faith effort to negotiate.

13. Greycliff only reluctantly took the step of filing this petition because it had no other avenue by which the Greycliff Project could find a market for its power. To date, Greycliff has spent upwards of \$700,000 on the Project, including ensuring that it is eligible for the Production Tax Credit ("PTC"). Greycliff cannot afford to allow the \$700,000 it has previously spent on the Greycliff Project to go unrecovered.

14. The Greycliff Project will be a substantial financial benefit to the surrounding area, including the community of Big Timber, Montana. During construction, the Project will employ as many as 44 people, and during the operation phase it will employ 4 people. The Project will also pump millions of dollars in the form of taxes, consumer goods and services, and employment opportunities into Sweet Grass County and the surrounding areas.

12. The proposed PPA rate is based on the rate previously approved by this Commission on April 10, 2015, in Docket D2014.4.43, Order 7347a. That rate, as the Commission may recall, was \$53.99 per MWH, minus integration costs, for an effective rate of \$50.49 levelized over a 20-year term. As this was the most recently approved avoided cost for NWE, and because it applied to a project larger than 3 MW, Greycliff believed this was the rate that most closely approximated NWE's existing avoided costs and based its offer to NWE thereon.

V. CONTRACT TERMS IN DISPUTE

13. At the present time, NWE has refused to negotiate with Greycliff so the precise contract terms in dispute are unknown to Greycliff at present.

14. The proposed contract rate of \$53.85 with an effective rate of \$50.35 levelized over a 20-year term may be in dispute, in particular the rate for wind integration. However, the remainder of Greycliff's proposed contract terms are almost identical to that which NWE had previously agreed to when Greycliff was a CREP project and were presented to the Commission as part of the recent CREP proceeding in Dockets D2015.2.18, and D2015.3.23. Presumably, NWE's belief that these contract terms were satisfactory for the Greycliff Project as a CREP would not have changed in the interim.

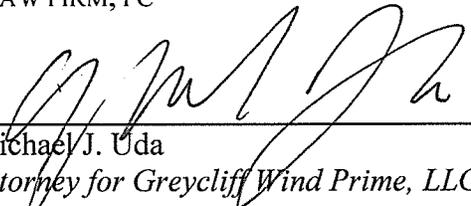
IV. PRAYER FOR RELIEF.

1. Greycliff respectfully requests that the Commission resolve any potential dispute that may arise regarding NWE's obligation to purchase Greycliff's electric generation (energy and capacity) and approve the proposed form of PPA (including the proposed rate of \$53.85/MWH and effective rate of \$50.35/MWH) in accordance with M.C.A. § 69-3-603.

2. Such further relief as the Commission finds just and appropriate.

RESPECTFULLY SUBMITTED this 17th day of August, 2015.

UDA LAW FIRM, PC

By: 
Michael J. Uda
Attorney for Greycliff Wind Prime, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served on this 17th day of August, 2015 upon the following by first class mail postage pre-paid:

Kate Whitney
Montana Public Service Commission
1701 Prospect Avenue
P.O. Box 202601
Helena, MT 59620-2601

Robert Nelson
Montana Consumer Counsel
P.O. Box 201703
Helena, MT 59620-1703

Patrick R. Corcoran
NorthWestern Energy
40 E. Broadway Street
Butte, MT 59701-9394

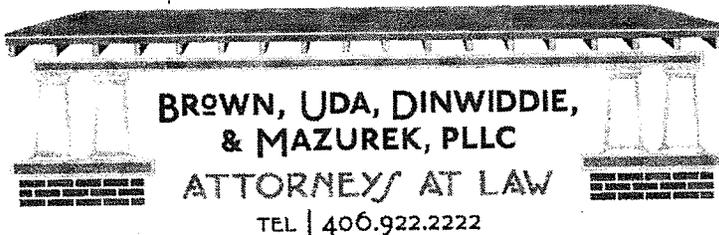
Frank Bennett
Northwestern Energy
40 E. Broadway Street
Butte, MT 59701-9394

I hereby certify an original was e-filed, and ten copies of the foregoing were hand-delivered to the following:

Public Service Commission
1701 Prospect Ave.
P.O. Box 202601
Helena, MT 59620-2601



BRUCE BROWN*
bbrown@budlawfirm.com
*also admitted in New York
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CATHERINE DINWIDDIE
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KATHRYN C. MAZUREK
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BOZEMAN OFFICE
611 W. MAIN STREET
BOZEMAN, MT 59715



HELENA OFFICE
601 S. MONTANA AVE.
HELENA, MT 59601

July 2, 2015

Mr. Bleu LaFave
3010 W. 69th Street
Sioux Falls, SD 57108

Mr. John Hines
208 N. Montana Ave. Suite 205
Helena, MT 59601

Mr. Frank Bennett
40 E. Broadway Street,
Butte, MT 59701

Re: QF LEO Letter on behalf of Greycliff Wind Prime, LLC to NorthWestern Corporation, d/b/a NorthWestern Energy

Dear Sirs:

This law firm has been retained by Greycliff Wind Prime, LLC ("Greycliff") to hereby request that NorthWestern Energy ("NorthWestern") immediately execute a power purchase agreement ("PPA") with Greycliff for its 25 MW wind project. The 25 MW Greycliff wind project, with which you are intimately familiar, is a self-certified qualifying facility ("QF") under the Public Utility Regulatory Policies Act of 1978, 16 U.S.C. § 824a-3, *et seq.* ("PURPA").

Please find attached a PPA that Greycliff has executed to sell its energy, capacity and environmental attributes to NorthWestern pursuant to PURPA and the Federal Energy Regulatory Commission's ("FERC") regulations implementing PURPA. The PPA executed by Greycliff includes a beginning date, an end date, security guarantees and is fully executed by Mr. Patrick Pelstrung on behalf of Greycliff. The rate under the proposed Grey Cliff PPA with NorthWestern includes an obligation on the part of Greycliff to sell its energy, capacity and environmental attributes to NorthWestern at a levelized rate of \$ 53.85/MWH minus integration costs (an effective rate of \$50.35) as approved by the Montana Public Service Commission ("Commission") in ¶ 28 of final order 7347a, in Docket D2014.4.43 (March 4, 2015). Greycliff agrees to pay \$26,635.88 per month for wind integration services from NorthWestern, as also approved by the Commission in final order 7347a.

Exhibit 1

As you know, the Commission has ruled that a QF's tender to a utility of an executed PPA that includes a specific beginning and ending date for delivery of energy and capacity and sufficient security guarantees, coupled with the tendering of an executed interconnection agreement to a utility, creates a legally enforcement obligation ("LEO") under 18 C.F.R. § 292.304(d). Greycliff tenders its executed PPA and its executed Large Generator Interconnection Agreement to NorthWestern which are attached to this letter. The LEO creates an obligation on the part of Greycliff and commits it to sell its generation to NorthWestern over the life of the PPA, and creates a reciprocal and equal obligation on the part of NorthWestern to buy Greycliff's generation over the life of the PPA.

As you know, Greycliff has previously proposed a 20 MW Community Renewable Energy Project ("CREP") to NorthWestern, which included an offer for NorthWestern to consider a "Build/Own Transfer" option. If NorthWestern wishes to enter into a Build/Own transfer agreement with Greycliff for a 25 MW CREP project, it remains open to negotiations on that subject. Greycliff believes its 25 MW CREP project would be CREP compliant as a Build/Own Transfer project.

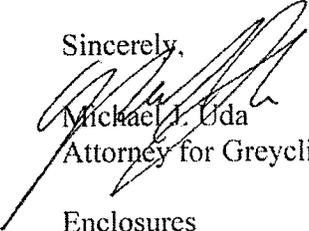
Greycliff is currently eligible for the federal production tax credit ("PTC") which makes the project affordable and a substantial benefit to NorthWestern's ratepayers. Greycliff has incurred considerable expense in qualifying for the PTC, in paying for interconnection studies, environmental studies, wind analyses, and in paying sub-contractors and legal advisers.

Greycliff requests that NorthWestern sign the tendered PPA for Greycliff's QF immediately. Time is of the essence in order that Greycliff not in any way jeopardize its rights to the PTC and so that the considerable expense already paid by Greycliff is not wasted. Greycliff believes it has successfully created a LEO by tendering the signed PPA and the signed interconnection agreement to NorthWestern.

Please call Mr. Patrick Pelstring of Greycliff no later than Wednesday, July 10, 2015, if NorthWestern agrees that Greycliff has created a LEO and NorthWestern will sign the PPA. If NorthWestern does not respond to this LEO letter or indicates disagreement that Greycliff has incurred a LEO in writing as of July 10, 2015, Greycliff will pursue any available legal remedy, including an action before the Commission to enforce the LEO and PURPA.

Thank you for your prompt attention to this letter; please direct your response to Mr. Pelstring no later than July 10, 2015.

Sincerely,


Michael J. Uda
Attorney for Greycliff Wind Prime, LLC.

Enclosures

Cc: Mr. Patrick Pelstring



**BROWN, UDA, DINWIDDIE,
& MAZUREK, PLLC**

TEL | 406.922.2222

July 8, 2015

VIA U.S. CERTIFIED MAIL –
RETURN RECEIPT REQUESTED

Michael J. Uda
Brown, Uda, Dinwiddie, & Mazurek, PLLC
611 W. Main Street
Bozeman, MT 59715

Dear Mr. Uda:

Re: Greycliff Wind Prime, LLC
Your letter dated July 2, 2015 directed to Messrs. LaFave, Hines, and Bennett

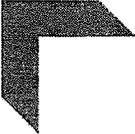
NorthWestern has reviewed the above-referenced letter. NorthWestern respectfully disagrees that Greycliff Wind Prime, LLC (“Greycliff”) has bound itself to a legally enforceable obligation (“LEO”) or that it is entitled to the rates approved by the Montana Public Service Commission (“Commission”) for Greenfield Wind, LLC. In your letter asserting that Greycliff has created an LEO you state, “the Commission has ruled that a QF’s tender to a utility of an executed PPA that includes a specific beginning and ending date for delivery of energy and capacity and sufficient security guarantees, coupled with the tendering of an executed interconnection agreement to a utility, creates a legally enforceable obligation.” You omitted an important qualifier—the PPA must reflect the utility’s avoided costs. The rates for Greenfield are not reflective of NorthWestern’s current avoided costs and are specific to that project.

Although you did not so state, NorthWestern assumes that the Greycliff which is the subject of your letter is the same Greycliff that executed a Power Purchase Agreement (“PPA”) with NorthWestern on December 20, 2013 that Greycliff terminated when NorthWestern declined to increase the purchase price, and that executed a second PPA with NorthWestern on January 27, 2015, providing for a 2016 price of \$42.92/MWh escalating at 1.5% per year that terminated when the Commission failed to approve the contract and to certify Greycliff as a CREP.

Administrative Rule of Montana (“ARM”) 38.5.1902(5) is very clear. It provides, in part:

A long-term contract for purchases and sales of energy and capacity between a utility and a qualifying facility greater than 3 MW in size shall be contingent upon selection of the qualifying facility by a utility through an all-source competitive solicitation conducted in accordance with the provisions of ARM 38.5.2001 through 38.5.2012. Between competitive solicitations, purchases, and sales of energy and capacity between a utility and a qualifying facility greater than 3 MW in size shall be accomplished in accordance with negotiation of a short-term written contract.

This administrative rule remains in effect. As the Commission stated in Order No. 7347a, which you cited in your letter, “A project as large as Greenfield’s is not eligible for standard rates.”



Order No. 7347a, ¶ 36 (citing ARM 38.5.1902(5)). An administrative rule is not rendered invalid by FERC's announcement of its litigation position in a Notice of Intent Not to Act and Declaratory Order such as that issued in *Hydrodynamics*. See, e.g., *Exelon Wind 1, L.L.C. v. Nelson*, 766 F.3d 380, 391-392 (5th Cir. 2014) (finding a FERC-issued Notice of Intent Not to Act and Declaratory Ruling regarding a Texas PUC decision implementing PURPA was akin to an informal guidance letter and that it lacked the force of law). Neither FERC regulations nor PURPA require that all QFs must always be allowed to enter into LEOs. *Id.* at 396.

Although NorthWestern has no need for additional intermittent, non-dispatchable resources at this time, it stands ready and willing to enter into a short-term contract at the short-term rate of \$33.47/MWh or at either of the market-based rates provided for in NorthWestern's Electric Tariff, Schedule No. QF-1 as Option 2(a) and Option 2(b).

NorthWestern declines to agree to purchase Greycliff's energy and capacity at the rates set for Greenfield in Order No. 7347a.

Sincerely,



Al Brogan
Corporate Counsel
Direct Line: (406) 443-8903

POWER PURCHASE AND SALE AGREEMENT

BETWEEN

NORTHWESTERN CORPORATION D/B/A

NORTHWESTERN ENERGY

AND

GREYCLIFF WIND PRIME, LLC

DATED EFFECTIVE AS OF

July 10, 2015

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PREAMBLE

This Power Purchase Agreement ("*Agreement*") is entered into effective as of the 10th day of July, 2015 ("*Effective Date*"), between Greycliff Wind Prime, LLC, a Montana limited liability company ("*Seller*"), and NorthWestern Corporation, d/b/a NorthWestern Energy, a Delaware Corporation ("*NorthWestern*"). Sometimes in this Agreement, Seller and NorthWestern are collectively referred to as "*Parties*" or, individually, as "*Party*."

RECITALS:

WHEREAS, Seller will design, construct, own, maintain, and operate an electric generation facility that will qualify as a "qualifying facility under the Public Utility Regulatory Policies Act of 1978, 16 U.S.C. § 824a-3 *et seq*" ("*PURPA*") as amended by the Energy Policy Act of 2005 and otherwise, and its implementing regulations at 18 CFR Part 292, and corresponding Montana statutes and regulations, each as amended; and

WHEREAS, Seller wishes to sell, and NorthWestern is required to purchase energy and capacity produced by Seller's Facility;

THEREFORE, the Parties agree as follows:

ARTICLE 1: DEFINITIONS

As used in this Agreement and attached Appendices, the following terms, whether in the singular or plural shall mean:

"*Affiliate*" means, with respect to any person, any other person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person. For this purpose, "control" means the direct or indirect ownership of ten percent (10%) or more of the aggregate outstanding capital stock or other equity interests having ordinary voting power.

"*Agreement*" has the meaning set forth in the Preamble.

"*Annual Net Energy Amount*" or "*ANEA*" means the Energy that Seller intends to produce and deliver to NorthWestern during each Contract Year as set forth in Section 5.3.1 below.

"*As-Built Supplement*" shall be a supplement to Exhibit B, delivered to NorthWestern by Seller promptly upon completion of construction of the Facility, describing the Facility as actually built, and including all original equipment manufacturer and balance of plant contractor commissioning certificates and/or reports.

"*Bankrupt*" means with respect to any entity, such entity: (i) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it; (ii) makes an assignment or any general arrangement for the benefit of creditors; (iii) otherwise becomes bankrupt or insolvent (however evidenced); (iv) has a

liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets; or (v) is generally unable to pay its debts as they become due.

"Billing Period" means the period of time from one meter reading to the next, which shall occur approximately every 31 days.

"Business Day" means any day except a Saturday, Sunday, or any other day on which banks in Montana are authorized or obligated to close.

"Capacity" means the electrical output potential a machine or system can produce or carry under specified conditions, generally expressed in kW or MW.

"Cash Security" means funds equal to the amount of the Default Security deposited by Seller in an escrow account established by NorthWestern in a banking institution acceptable to both Parties.

"Claims First Made Basis" means the type of an insurance policy that pays only those claims that occur and are filed/reported during the period covered by the policy.

"Commercial Operation" means: (i) one hundred percent (100%) of the Nameplate Capacity of the Facility is installed and each Unit is tested and commissioned by the original equipment manufacturer; (ii) Seller has installed, tested and commissioned all equipment and facilities necessary to connect the Facility with the NorthWestern System for which Seller is responsible in accordance with the requirements of the Generator Interconnection Agreement; (iii) all conditions precedent set forth in Article 4.1 and 4.2 of this Agreement are satisfied; and (iv) Seller has delivered to NorthWestern the As-built Supplement and the Facility is capable of providing energy consistent with Prudent Utility Practice.

"Commercial Operation Date" means the day commencing at 12:01am, prevailing Mountain Time, following the day on which NorthWestern provides written confirmation (including electronic communication) to Seller that the Facility has achieved Commercial Operation.

"Commission" means the Montana Public Service Commission.

"Commission Approval" has the meaning set forth in Section 4.1.8.

"Compensated Curtailment" means a curtailment of Energy that could have been produced and delivered by the Facility that is not an Uncompensated Curtailment.

"Contest" means, with respect to either Party, a contest of (i) any Governmental Approval or any act or omission by Governmental Agencies or (ii) the amount or validity of any claim pursued by or against such Person in good faith and by appropriate legal, administrative, or other proceedings.

"Contingency Reserves" has the meaning set forth in NorthWestern's Electric Tariff, Schedule No. CR-1.

"Contract Price" shall have the meaning set forth in Section 5.5.1.

"Contract Year" means the period commencing on the first day of the first month immediately following the Commercial Operation Date and ending one day prior to the same date of the subsequent calendar year, and each annual period occurring thereafter until the last day of the Term.

"Creditable Hours" means the Lost Production resulting from (i) scheduled outages of the NorthWestern System and (ii) transmission congestion to the extent exceeding 720 MWh in the aggregate for clauses (i) and (ii) in any Contract Year (excluding the Extended Term); provided that no Lost Production will constitute a Creditable Hour until the completion of transmission upgrades, if any, required by the Transmission Provider.

"Default Security" means the dollar amount required of the Seller by Section 7.1 for potential or actual default by Seller of this Agreement.

"Defined Tasks" means the defined tasks as listed in Section 5.2.

"Delay Damages" means the agreed upon liquidated damages to NorthWestern if Seller fails to achieve Commercial Operation by the Guaranteed Commercial Operation Date as set forth in Section 7.2.

"Effective Date" has the meaning set forth in the Preamble.

"Emergency Condition" means any condition or situation that in the judgment of NorthWestern, Seller or Transmission Authority (i) endangers or might endanger life or property or (ii) adversely affects or could reasonably be expected to adversely affect the reliability of applicable balancing authority areas or the ability of any other entity associated with the interconnected transmission system, to maintain safe and reliable electric service or otherwise pose a threat to public safety.

"Energy" means the amount of electrical energy and associated Capacity received by NorthWestern and provided by Seller pursuant to this Agreement, as determined by NorthWestern's billing meter located at the Point of Interconnection and installed pursuant to the GIA, including any adjustment for losses.

"Environmental Attributes" means any credits, credit certificates, rights, powers, privileges or similar items such as those for greenhouse gas reduction, green certificates or the generation of green power or renewable energy, or for satisfying renewable portfolio standards or similar renewable energy mandates, or offsets of emissions of greenhouse gases, in each case created by any governmental agency and/or independent certification board or group generally recognized in the electric power generation industry, and generated by or associated with the Facility and the production of Energy and Test Energy. The term "Environmental Attributes" does not include any federal, state, or local incentive or production tax attributes or other non-environmental benefits.

"Environmental Law" means any applicable Law, rulings, order, administrative interpretations, and other Governmental Agency restrictions and requirements related to the discharge of air pollutants, water pollutants or process waste water, or otherwise relating to the environment, avian or protected species or hazardous substances, as amended from time to time.

"Environmental Liability" means any and all liability arising under, resulting from or imposed by any Environmental Law.

"Extended Term" has the meaning set forth in Section 6.7.4.

"Facility" means the electric generation facility and interconnection facilities which are owned, controlled, or operated by Seller described in Exhibit B of this Agreement (as modified by the As-Built Supplement).

"FERC" means the Federal Energy Regulatory Commission or any successor government agency.

"Force Majeure" has the meaning set forth in Section 15.1.

"Forced Outage" means any condition at the Facility requiring immediate removal of the Facility or any Unit from service, resulting from immediate mechanical, electrical or hydraulic control system trips and operator initiated trips in response to Facility conditions.

"Generator Interconnection Agreement" or *"GIA"* means all agreements between Seller and Transmission Providers substantially in the form of the Transmission Provider's Standard Large or Small Generator Interconnection Agreement to be attached to this Agreement as Exhibit D.

"Governmental Agency" means any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States or of any foreign country or of any state, county, city or other political subdivision thereof, in each case having legal jurisdiction over the matter or person in question or the Facility.

"Governmental Approvals" shall mean all permits, authorizations, licenses, orders, consents, waivers, exceptions, exemptions, variances or other approvals required by Law or a Governmental Agency for the development, construction, operation and maintenance of the Facility.

"Guaranteed Commercial Operation Date" means December 31, 2016, provided that such date may be extended as the result of Force Majeure pursuant to Article 15.

"In-Service Date" means the date on which the Facility first delivers Energy to the Transmission Provider.

"kW" means kilowatt(s).

"Law" means all laws, statutes, rules, regulations, ordinances and other pronouncements having the effect of law of the United States or of any foreign country, Montana or of any state, county, city or other political subdivision thereof or of any other Governmental Agency.

"Lender" means any Person providing money or extending credit to Seller for: (i) the construction, term or permanent financing of the Facility; (ii) working capital or other ordinary business requirements of the Facility; and (iii) any development financing, bridge financing or credit support with respect to Seller or the Facility.

"Letter(s) of Credit" means one or more irrevocable, transferable standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch with such bank having a credit rating of at least A- from S&P or A3 from Moody's, in a form acceptable to NorthWestern and satisfying the requirements of Section 7.6. Costs of a Letter of Credit shall be borne by Seller.

"Letter of Credit Security" means Letter(s) of Credit posted and maintained by Seller and drawable on by NorthWestern in an amount of the Default Security during the applicable period under the Agreement.

"Lost Production" means for any period the quantity, if any, of Energy Seller could have made available to NorthWestern at the Point of Interconnection during such period but that was not made available as a result of a curtailment, calculated using data from the SCADA System and based on actual measurements during the applicable time as recorded by the Facility's measurement instrumentation.

"Lost Production Damages" means the amount of compensation, if any, Seller is entitled to receive as a result of a Compensated Curtailment, calculated as follows:

$$LPD = LP * (CP + PTC)$$

Where "LPD" means the Lost Production Damages in respect to any applicable calendar month (expressed in dollars). For the avoidance of doubt, the Lost Production Damages calculation shall apply to Creditable Hours, if any.

"LP" means the aggregate quantity of Lost Production during such month (expressed in MWh).

"CP" means the Contract Price applicable during such month (expressed in \$/MWh).

"PTC" means the amount, if any, which would result in Seller receiving the value of Production Tax Credits lost by Seller as a result of Lost Production, on an after-tax basis during the initial 120 calendar months following the Commercial Operation Date, calculated in accordance with Exhibit E.

Lost Production Damages shall be reduced by any amount received by Seller from Transmission Provider or any other Person to compensate Seller for losses or damages arising from a Compensated Curtailment.

"Mechanical Availability" means the percentage of time that the Facility is capable of producing Energy during a Contract Year and is calculated as follows:

$$[(H \times N) - (\text{Sum of Downtime Hours for } N \text{ Units}) / (H \times N)] \times 100$$

expressed as a percent where "H" is the number of hours in the Contract Year and "N" is the number of individual generating Units in the Facility. Downtime Hours (calculated in 10 minute increments) for each individual Unit includes all minutes in which the Unit is not in "run" status, or is in "run" status but faulted (including any delay in resetting a fault) except minutes a Unit is unavailable due to: (i) an event of Force Majeure; (ii) a

curtailment ordered by the Transmission Provider or NorthWestern; (iii) an outage scheduled at least ninety (90) days in advance with NorthWestern's written consent (not to be unreasonably withheld, delayed or conditioned), up to 240 hours per Unit per Contract Year, (iv) an Emergency Condition, (v) NorthWestern's breach of this Agreement or (vi) an order of a Governmental Agency or Transmission Authority that is not due to an improper act or omission of Seller.

"Mechanical Availability Guarantee" means minimum annual Mechanical Availability required to be achieved by the Facility in Section 5.4.

"Moody's" means Moody's Investor Services, Inc., or its successor.

"MW" means megawatt(s).

"MWh" means megawatt hours.

"Nameplate Capacity" means the maximum rated output of the Facility under specific conditions designated by the original equipment manufacturer. The Nameplate Capacity of the Facility is 25 MW.

"Negotiation Notice" has the meaning set forth in Section 13.7.

"Negotiation Period" has the meaning set forth in Section 13.7.

"NorthWestern Events of Default" has the meaning set forth in Section 8.2.

"NorthWestern System" means all distribution and transmission infrastructure within the state of Montana operated and controlled by NorthWestern as a registered entity under the Western Electricity Coordinating Council.

"Notice to Proceed" means the notice issued by a Party upon the mutual agreement of the Parties that the condition set forth in Section, 4.1.6, has been satisfied.

"Other Party Group" has the meaning set forth in Section 10.2.

"Pending Facility Transaction" means (i) the issuance by Seller or any of its Affiliates of a request for proposals or the response by Seller or any of its Affiliates to a request for proposal or similar process for the purchase or sale to any unaffiliated third party of equity interests in Seller or the Facility; (ii) the commencement by Seller or any of its Affiliates of substantive negotiations with any unaffiliated third party with respect to the sale of equity interests in Seller or the Facility; (iii) the execution by Seller or any of its Affiliates of any letter of intent, memorandum of understanding or similar document, whether or not legally binding, which contemplates the sale or lease to an unaffiliated third party of any equity interests in Seller or the Facility, provided, however, that a Pending Facility Transaction does not include (i) any financing, refinancing or replacing of the Facility debt by Seller or any of its Affiliates; (ii) any transaction between and among Affiliates of Seller; and (iii) any transaction in which NorthWestern declined to exercise its Pending Facility Transaction rights.

"Person" means an individual, partnership, corporation, limited liability company, joint stock company, trust, unincorporated association, joint venture, Governmental Agency, or other entity.

"PFT Notice" has the meaning set forth in Section 13.8.

"Point of Interconnection" means the point on the electrical system where the Facility is physically interconnected with the Transmission Provider's system, as more specifically described in Exhibit B.

"Prudent Utility Practice" means any of the practices, methods, and acts, which, in the exercise of reasonable judgment in the light of the facts (including but not limited to the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry prior thereto) known at the time the decision was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with good business practices, reliability, safety, and expedition, taking into account the fact that Prudent Utility Practice is not intended to be limited to the optimum practice, methods, or acts to the exclusion of all others, but rather to be a spectrum of possible practices, methods, or acts which would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety, and expedition. Prudent Utility Practice includes due regard for manufacturers' warranties and requirements of governmental agencies of competent jurisdiction.

"Proposed Sale Action" has the meaning set forth in Section 13.7.

"PTCs" means production tax credits under section 45 of the U.S. Internal Revenue Code as in effect on the date of this Agreement.

"PURPA" shall mean the Public Utility Regulatory Policies Act, 16 U.S.C. §§824a-3, et seq., as amended by the Energy Policy Act of 2005 and otherwise, and its implementing regulations at 18 CFR Part 292, and corresponding Montana statutes and regulations, each as amended.

"Qualifying Facility" shall mean a generating facility which meets the criteria to be a "qualifying facility" as defined by PURPA.

"Rate Schedule" has the meaning set forth in Section 5.5.1 and Exhibit A.

"ROFO" has the meaning set forth in Section 13.7.

"ROFO Notice" has the meaning set forth in Section 13.7.

"S&P" means the Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) or its successor.

"SCADA System" means supervisory control and data acquisition system monitoring and controlling the performance of the Units and the Facility.

"Seller Event of Default" has the meaning set forth in Section 8.1.

"Shortfall Liquidated Damages" has the meaning set forth in Section 5.3.2.

"Site" means the real property on which the Facility will be located, as described generally in Exhibit B.

"Taxes" has the meaning set forth in Section 14.1.

"Term" has the meaning set forth in Section 5.1.

"Test Energy" means any Energy produced and delivered by Seller to NorthWestern after the In-Service Date and prior to the Commercial Operation Date.

"Transmission Authority" means any independent service organization or other Person that may be created or become operational subsequent to the date of this Agreement or which acquires jurisdiction over NorthWestern, the NorthWestern System or the Transmission Provider's System, and that is empowered or authorized to plan, coordinate, operate, regulate or otherwise manage any or all of the Transmission Provider's System or the NorthWestern System.

"Transmission Provider" means any entity or entities transmitting or transporting Energy on behalf of Seller from the Point of Interconnection to the NorthWestern System.

"Transmission Provider's System" means all distribution and transmission infrastructure within the state of Montana operated and controlled by the Transmission Provider.

"Uncompensated Curtailment" means a curtailment arising out of or resulting from: (i) scheduled or unscheduled outages of the Facility or the NorthWestern System; (ii) a request of the Transmission Provider or Transmission Authority under the GIA or applicable tariff, including a curtailment arising from or related to transmission congestion or outage on the Transmission Provider's System; (iii) an Emergency Condition or event of Force Majeure of the Facility or the NorthWestern System; or (iv) an order of a Governmental Agency or Transmission Authority for any reason; provided that notwithstanding the foregoing, any curtailed MWh in excess of Seven Hundred Twenty (720) in the aggregate during any Contract Year of Creditable Hours shall be recoverable subject to the terms of Lost Production Damages.

"Unit" means an individual generator.

"Wind Integration" means \$28,900 per month as approved by the Montana Public Service Commission ("Commission") in final order 7347a, in Docket D2014.4.43 (March 4, 2015), with the option that Seller may self-supply regulating reserves.

"WREGIS" means the Western Renewable Energy Generation Information System or any successor entity thereto.

ARTICLE 2: RULES OF INTERPRETATION

Unless otherwise required by the context in which any term appears:

- (i) Capitalized terms used in this Agreement shall have the meanings specified in Article 1 and the text of applicable Sections;
- (ii) The singular shall include the plural and vice versa;

- (iii) References to "articles," "sections," "schedules," or "exhibits" shall be to Articles, Sections, Schedules or Exhibits hereof;
- (iv) All references to a particular entity shall include a reference to such entity's successors and permitted assigns;
- (v) All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles in the United States of America, consistently applied;
- (vi) References to this Agreement shall include a reference to all schedules and exhibits hereto, as the same may be amended, modified, supplemented or replaced from time to time;
- (vii) The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation" and shall not be construed to mean that the examples given are an exclusive list of the topics covered;
- (viii) The masculine shall include the feminine and neuter and vice versa; and
- (ix) The Parties collectively have prepared this Agreement, and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this Agreement or any part hereof.

ARTICLE 3: REPRESENTATIONS AND WARRANTIES

- 3.1 No Warranty by NorthWestern. Seller represents that in entering into this Agreement and in undertaking the obligations set forth herein (i) Seller has investigated and determined that it is capable of performing hereunder and has not relied on the advice, experience, or expertise of NorthWestern; and (ii) all professionals or experts, including but not limited to, engineers, attorneys, or accountants, that Seller may have consulted or relied on in undertaking the transactions contemplated by this Agreement have been solely those of Seller. Any review, acceptance or failure to review Seller's design, specifications, equipment or facilities shall not be an endorsement or a confirmation by NorthWestern and NorthWestern makes no warranties, expressed or implied, regarding any aspect of Seller's design, specifications, equipment or facilities, including, but not limited to, safety, durability, reliability, strength, capacity, adequacy or economic feasibility.
- 3.2 Organization. Seller represents it is a limited liability company duly organized and validly existing under the laws of Montana and authorized to conduct business in the State of Montana; Seller has the requisite power and authority to enter into this Agreement, including all regulatory approvals; and Seller has taken all action required to authorize the execution and performance of this Agreement.
- 3.3 FERC Licenses or Approvals. Seller represents and warrants that Seller possesses all valid licenses or approvals, including any exemption from licensing, from the FERC for the Facility and the delivery and sale of Energy under this Agreement. Seller recognizes that Seller's possession and retention of a valid FERC licenses or approvals is a material part of the consideration for NorthWestern's execution of this Agreement. Seller will take such steps as may be required to maintain its status as a

qualifying facility under PURPA with FERC, and has obtained such valid other FERC licenses or approvals as may be required by FERC.

- 3.4 Construction of Facility. Seller represents and warrants that it will construct the Facility in conformance with Prudent Utility Practice and consistent with the specifications set forth in Exhibit A, including but not limited to the Nameplate Capacity, and the manufacturers and models of all major equipment as described in Exhibit B. Seller shall comply with the United States Fish and Wildlife Service Land Based Wind Guidelines for preconstruction studies. Seller shall not make any change to the equipment described in Exhibit B or increase the Nameplate Capacity, in each case, without the prior written consent of NorthWestern or as may be required by Law or to maintain equipment warranties in full force and effect. Seller shall not make any modification to the equipment described in Exhibit B, unless the same change is made to the equipment listed under its GIA.
- 3.5 Operation of Facility. Seller warrants that it will maintain and operate the Facility in accordance with the terms and conditions of this Agreement, Prudent Utility Practice, NorthWestern's electrical tariffs and the Law and shall not increase the Nameplate Capacity after the Commercial Operation Date without the prior written consent of NorthWestern.
- 3.6 No Environmental Liability. As of the Effective Date, Seller represents and warrants that: (i) no portion of the Site and the improvements thereon has ever been used, to the knowledge of Seller, by previous or current owners or operators or Seller to generate, manufacture, refine, transport, treat, store, handle or dispose of toxic material, hazardous substances, solid waste or hazardous wastes, as the terms are defined in any applicable Environmental Law, and Seller shall not use any of the Site for such purposes; (ii) to the knowledge of Seller, the Site does not contain, through the action or inaction of previous owners or operators or Seller, asbestos, ureaformaldehyde foam insulation, PCBs, other toxic materials, hazardous substances, or any other chemical, material, or substance exposure to which may or could pose a health hazard whether or not the substance is prohibited, limited or regulated by any Governmental Agency; (iii) Seller has not received a summons, citation, directive, letter, or other communication, written or oral, from any Governmental Agency concerning the existence of any condition on or affecting the Site which currently violates, or which, with the passage of time will violate, any applicable Environmental Law, or which otherwise indicates that Seller may be subject to any potential Environmental Liability with respect to the Site; and (iv) Seller, the Facility and the Site are not subject to any existing or pending investigation or inquiry by any Governmental Agency or to any remedial obligations under any applicable Environmental Law. During the Term Seller warrants to notify NorthWestern promptly after obtaining knowledge of the occurrence of any of the events or conditions described in clauses (i)-(iv) of this Section 3.7.

ARTICLE 4: CONDITIONS PRECEDENT

- 4.1 In-Service Conditions Precedent. Prior to the In-Service Date and as a condition of NorthWestern's initial acceptance of Energy and Capacity from Seller and NorthWestern's initial obligation to pay for Energy and Capacity:
- 4.1.1 Governmental Approvals. Seller shall submit reasonably satisfactory evidence to NorthWestern that all Governmental Approvals necessary for Seller's operations have been obtained from each applicable Governmental Agency.
 - 4.1.2 Insurance. Seller shall submit written proof to NorthWestern of all insurance required by Article 10.
 - 4.1.3 Security Requirements. Seller shall have provided Default Security in the amount and at the time set forth in Article 7 below.
 - 4.1.4 Seller Certificate. Seller will have provided NorthWestern a certificate, executed by an officer of Seller, confirming that (i) the Facility is capable of commencing Energy production; (ii) the transmission and interconnection facilities necessary to deliver and transform such Energy for delivery to NorthWestern at the Point of Interconnection are installed and operational; (iii) all Government Approvals necessary for Seller to produce and deliver Energy to NorthWestern have been received and are valid; and (iv) the Transmission Service Provider and Transmission Authority (if applicable) has approved commencement of delivery of Energy by Seller pursuant to the Generator Interconnection Agreement. NorthWestern will have ten (10) Business Days to review the certificate and raise any commercially reasonable objections to the satisfaction of these conditions.
 - 4.1.5 Interconnection Agreements. Seller shall have entered into the Generator Interconnection Agreement with the Transmission Provider in accordance with Section 6.2 with a scheduled construction completion date of the interconnection facilities not to exceed 14 months from the Notice to Proceed.
 - 4.1.6 Firm Network Transmission Approval. NorthWestern shall have secured firm network transmission service rights for the Facility in accordance with Section 6.3 of this Agreement, upon terms and conditions reasonably acceptable to each Party, including but not limited to: (i) no curtailment of Energy delivery due to congestion; (ii) no transmission system upgrade costs assigned to the Facility; and (iii) with reasonable assurance of completion of required transmission system upgrades by the Guaranteed Commercial Operation Date.

Promptly after satisfaction of all the conditions set forth in Sections 4.1.4, 4.1.5, and 4.1.6, NorthWestern shall issue a Notice to Proceed, subject to written confirmation by Seller, authorizing Seller to proceed with the development and construction of the Facility. If any of the conditions set forth in Sections 4.1.4, 4.1.5, and 4.1.6 are not satisfied or waived on or before October 15, 2016 (as such date may be extended by

mutual agreement of the Parties), the Agreement will terminate in accordance with the requirements of Section 8.4.

4.2 Commercial Operation Conditions Precedent. Following the In-Service Date, but prior to Commercial Operation and as a condition of NorthWestern’s obligation to pay for Energy at the Contract Price set forth in Section 5.5.1:

4.2.1 Seller Certificate. Seller shall provide a certificate, executed by an officer of Seller, to NorthWestern, certifying that the conditions to Commercial Operation have been satisfied, and NorthWestern has confirmed in writing all conditions of Commercial Operation are satisfied (which confirmation shall not be unreasonably withheld, refused or delayed). NorthWestern shall confirm Commercial Operation within ten (10) Business Days of receipt of Seller’s certificate, or identify in writing NorthWestern’s refusal to confirm Commercial Operation and the specific reasons for the refusal.

4.2.2 Engineer’s Certification. An independent registered professional engineer’s certification will have been obtained by Seller stating that the Facility has been completed in all material respects, except for punch list items that do not have a material adverse effect on the ability of the Facility to operate for its intended purpose.

ARTICLE 5: PURCHASE AND SALE OF ENERGY, CAPACITY AND ENVIRONMENTAL ATTRIBUTES

5.1. Term. This Agreement shall be effective at 12:01am prevailing Mountain Time on the Effective Date and shall remain in effect for a term of twenty-five (25) years following the first day of the first month immediately following the Commercial Operation Date, unless earlier terminated pursuant to its terms (as it may be extended under Section 6.7.4, the “Term”).

5.2. Defined Tasks. Seller shall notify NorthWestern if its progress in construction of the Facility materially deviates from the following schedule such that the Facility’s ability to achieve the Guaranteed Commercial Operation Date is impaired:

Defined Tasks	Scheduled Date
5.2.1. “Land Lease” documentation evidencing preliminary Unit location and lease rights for Term of Agreement.	90 days from the Effective Date.
5.2.2. Proof of “Financing” delivered to NorthWestern in accordance with Section 7.1.	120 days from the Effective Date.
5.2.3. “Notice to Proceed” delivered to a general construction contractor.	120 days from the Effective Date.
5.2.4. “Land Location” map identifying the latitude and longitude of each Unit sequentially in the order of the Facility layout.	120 days from the Effective Date.

5.2.5. "First Unit Construction" substantial completion of first Unit.	July 15, 2016.
5.2.6. "Final Unit Construction" substantial completion of final Unit.	October 15, 2016.

Seller acknowledges and agrees that it is the intent of the Defined Tasks to ensure that the Facility begins delivery of Energy to NorthWestern by the Guaranteed Commercial Operation Date. Commencing three (3) months after the Effective Date, Seller shall provide NorthWestern with monthly reports describing its progress toward completion of the described Defined Tasks and completion of the Facility.

5.3 Purchase and Sale of Electricity, Capacity and Environmental Attributes. Subject to the terms and conditions of this Agreement, Seller shall deliver to the Point of Interconnection and sell to NorthWestern, and NorthWestern shall purchase from Seller, on and after the In-Service Date and for the Term of this Agreement, all of the Energy output and all of the Capacity and Environmental Attributes related to or associated with the operation of the Facility.

5.3.1 Annual Net Energy Amount. Seller intends to produce and deliver to NorthWestern a minimum of 91,323 of Energy in each Contract Year. The Parties agree that if NorthWestern accepts a Nameplate Capacity of the Facility that does not equal a nominal 25 MW, then the ANEA also shall be adjusted pro rata to reflect such difference.

5.3.2 Failure to Deliver (ANEA) in a Single Year. In any given Contract Year, if Seller fails to deliver Energy in an amount that is equal to or greater than seventy-five percent (65%) of the ANEA, Seller shall pay NorthWestern an amount equal to the ANEA minus the actual Energy delivered during the Contract Year (for this Section 5.3.2 the "ED"), times the difference between the annual time-weighted average of daily on-peak and off-peak Mid-Columbia Index prices for firm energy published by the Intercontinental Exchange (for this Section 5.3.2 the "Price") and the purchase price set forth in Section 5.5 (the "Shortfall Liquidated Damages"), provided however, that no payment will be made by Seller if the calculation results in an amount less than zero. With respect to the foregoing calculation, the ANEA shall be reduced pro rata to reflect those hours ("Excluded Hours" or "EH") during the Contract Year when Seller was prevented from delivering Energy by (a) an event of Force Majeure, (b) a scheduled or unscheduled outage of the NorthWestern System, (c) a Transmission Provider curtailment, (d) an Emergency Condition, (e) NorthWestern's breach of this Agreement; or (f) an order of a Governmental Agency or Transmission Authority; provided that in all instances the event or cause of Seller's inability to produce Energy does not arise from an act or omission of Seller.

Section 5.3.2 formulaic representation:

$$(ANEA - EH + ED) * (Price - Contract Price) = \text{Failure to deliver payment.}$$

If the Mid-Columbia Index prices for firm energy ceases to be published by the Intercontinental Exchange, the Parties will substitute a comparable average daily on-peak and off-peak price established or published by a Governmental Agency or Person which most closely represents NorthWestern's actual cost for the purchase of energy.

- 5.3 Wind Integration and Contingency Reserves. Seller must provide Contingency Reserves and Wind Integration for the Term of this Agreement. Seller agrees to accept payment adjustments by NorthWestern for Contingency Reserves and Wind Integration, with Wind Integration costs of \$28,906 per Month. In the alternative, Seller shall self-supply Contingency Reserves.
- 5.4 Mechanical Availability Guarantee. The Facility shall achieve a minimum Mechanical Availability of 85% for each Contract Year. Seller shall provide documentation in a form reasonably acceptable to NorthWestern to demonstrate the Mechanical Availability of the Facility. Each Contract Year Seller shall pay NorthWestern, as liquidated damages \$2,500 per one percentage (1%) point that the Mechanical Availability Guarantee exceeds the actual Mechanical Availability. Notwithstanding anything herein to the contrary, for the first Contract Year only, for purposes of determining whether the Facility has met the Mechanical Availability Guarantee, Seller shall achieve a minimum Mechanical Availability of 60% for the time period beginning on the first day immediately following the Commercial Operation Date and ending one day prior to the first day of the seventh (7th) month, and a minimum Mechanical Availability of 85% for time period beginning on the first day of the seventh (7th) month through the end of the first Contract Year.
- 5.5 Contract Price:
- 5.5.1 After Commercial Operation. Subsequent to the Commercial Operation Date, NorthWestern shall pay Seller for Energy and the Environmental Attributes an amount equal to \$53.85/MWh for Energy, Capacity and Environmental Attributes times the Energy delivered to NorthWestern at the Point of Interconnection (as escalated pursuant to the following sentence, the "Contract Price") levelized in accordance with the Rate Schedule in Exhibit A.
- 5.5.2 Test Energy. After the In-Service Date and prior to the Commercial Operation Date, NorthWestern shall pay Seller an amount equal to fifty percent (50%) of the Contract Price times the Test Energy delivered to NorthWestern at the Point of Interconnection.
- 5.5.3 Environmental Attributes. The value of the Environmental Attributes is specifically included within the Contract Price.
- 5.5.4 Capacity. The value of Capacity is specifically included within the Contract Price.
- 5.5.5 Lost Production. NorthWestern shall compensate Seller for Lost Production in accordance with Section 6.7 of this Agreement.

- 5.6 Payment Due Date. NorthWestern shall transmit payment and a payment statement to Seller for all undisputed amounts within thirty (30) days following the Billing Period meter readings. NorthWestern's payment statement shall include the amount of Energy delivered to the Point of Interconnection during the Billing Period and the amount due to Seller. Payments hereunder shall be made in immediately available funds by wire transfer or ACH transfer. Any payment disputes between the Parties shall be governed by Section 16.1 of this Agreement.
- 5.7 Payment Default. Should either Party fail to pay the other Party any undisputed amounts when due, the unpaid Party may either: (i) deduct like amounts, adjusted for interest, from future payments to the other Party hereunder, (ii) demand payment of unpaid balances, adjusted for interest, in future statements or (iii) exercise any other rights or remedies permitted under Article 8 or applicable Law. Interest shall be assessed monthly on the average of the beginning and ending monthly-unpaid undisputed balances and shall be calculated monthly at the one month London Interbank Offered Rate posted on the date of payment calculation.
- 5.8 Title and Risk of Loss. Title to and risk of loss with respect to Energy delivered to NorthWestern by Seller in accordance with this Agreement shall pass from Seller to NorthWestern when the same is delivered by Seller at the Point of Interconnection. Until title passes, Seller shall be in exclusive control of the Energy and shall be responsible for any damage or injury caused thereby. After title to Energy transfers, NorthWestern shall be in exclusive control of such Energy and shall be responsible for any damage or injury caused thereby.
- 5.9 Environmental Attributes. NorthWestern shall receive all right, title and interest in the Environmental Attributes. Seller shall, from time to time, execute, acknowledge and deliver such further instruments and take such other action as may be reasonably requested in order to vest title and all rights to the Environmental Attributes purchased under this Agreement in NorthWestern, including any rights associated with any renewable energy tracking system that may be established to monitor or track such Environmental Attributes.

ARTICLE 6: OPERATIONS

- 6.1. Annual Operating Plan. Seller shall provide NorthWestern with an operating plan applicable to the period from May 1 through April 30 of each year, which shall be substantially in the form of Exhibit C, setting forth the planned operations and both the timing and duration of proposed Facility maintenance. For the first Contract Year, Seller shall provide the annual operating plan no later than thirty (30) days before the Commercial Operation Date. Beginning with the first February after the Commercial Operation Date, by February 15 of each year, Seller shall provide NorthWestern with an annual operating plan for the upcoming generation year. Such operating plan shall include, without limitation, processes and procedures for providing NorthWestern with monthly and quarterly projected Energy output as well as mutually agreeable processes and procedures for scheduling Energy delivery to NorthWestern on an hourly basis. Seller shall use commercially reasonable efforts to accommodate any

NorthWestern request to defer or reschedule maintenance to the extent such request is reasonable and consistent with Prudent Industry Practices.

- 6.2. Interconnection Agreements. Seller is responsible for all costs to deliver the Energy to the Point of Interconnection. Seller shall execute the Generator Interconnection Agreement with the Transmission Provider. If the Transmission Provider is NorthWestern's separate transmission function, this Agreement shall do nothing to modify or otherwise amend the obligations, rights, and remedies of the Parties as specified in the Generator Interconnection Agreement. If the Transmission Provider is NorthWestern's separate transmission function, to the extent any terms or conditions in the Generator Interconnection Agreement contravene or contradict the terms and conditions of this Agreement, the terms and conditions of the Generator Interconnection Agreement shall control and be binding on the Parties. Upon completion of the Generator Interconnection Agreement and the interconnection agreement with a Transmission Authority, if any, such document(s) will be appended to this Agreement as Exhibit C.
- 6.3. Transmission Service. If the Facility is directly interconnected to the NorthWestern System, NorthWestern will designate the Facility as a network resource as specified in NorthWestern's Open Access Transmission Tariff and shall make such other transmission service arrangements as necessary to deliver Energy and Capacity from the Facility to serve the NorthWestern load and other sales obligations. NorthWestern shall request firm transmission service within thirty (30) days after the Effective Date and, if firm transmission service is available upon terms and conditions acceptable to the Parties, shall arrange for required network transmission service rights during the Term of the Agreement and any Extended Term. If the Facility is not directly interconnected to the NorthWestern System at any time during the Term or any Extended Term, Seller shall arrange for and purchase firm transmission service from the Transmission Provider(s) to a point of delivery on the NorthWestern System, and any necessary arrangements related thereto for the Term and any Extended Term, applicable. Upon request by NorthWestern, Seller shall assign the firm transmission service for the Term and any Extended Term of this Agreement to NorthWestern along with any rights related thereto. Notwithstanding the foregoing, nothing in this Agreement affects Seller's ownership of any interconnection facilities set forth in a separate interconnection agreement, and NorthWestern in no way accepts any responsibility for maintenance, liability, or ownership responsibilities related thereto. If the Transmission Provider assigns any transmission system upgrade cost or expense to the Facility, Seller is responsible for such upgrade costs to the Transmission Provider's System and the NorthWestern System required to acquire firm transmission service. NorthWestern is responsible for the cost and expense of processing the request for firm transmission service.
- 6.4. Metering. Metering of the Facility shall occur in the manner described in the GIA and interconnection agreement with the Transmission Authority, if any. The meters and associated measuring and recording equipment installed pursuant to the GIA and interconnection agreement with the Transmission Authority shall permit an accurate determination of the quantities of the hourly Energy delivered under this Agreement

and shall be used for all quantity measurements under this Agreement. If any meters are found upon testing to be inaccurate by more than the allowance identified in the GIA, applicable tariff or otherwise outside the parameters of the selected device manufacturer's performance standards, the meter will be adjusted, repaired, replaced or recalibrated at Seller's expense. If the meter fails to register or if the measurement is found upon testing to be inaccurate by more than the allowance identified in the GIA or applicable tariff or otherwise outside the parameters of the selected device manufacturer's performance standards, the Parties will re-compute any amount due for the period of the inaccuracy.

- 6.5. Telemetry and Anemometer Equipment. Seller shall install, operate and maintain a commercially standard fiber-optic network and anemometer equipment that allows NorthWestern to access power production and meteorological data from the Facility on a real-time basis as it becomes available through the SCADA System. All SCADA System inputs will be provided to NorthWestern at Seller's expense at the Point of Interconnection.
- 6.6. WREGIS. Seller shall assist NorthWestern with the registration of the Units in WREGIS under NorthWestern's WREGIS account. Seller hereby assigns registration rights to NorthWestern. For the Term of this Agreement, NorthWestern shall assume the responsibilities of registering the Units and submitting annual registration data updates.
- 6.7. Curtailments:
 - 6.7.1 Curtailment Right. NorthWestern may curtail the delivery of Energy from the Facility at any time and for any reason deemed sufficient by NorthWestern in its sole discretion unless such conditions are prohibited by 18 C.F.R. § 292.304(f), in which case such curtailments shall constitute a Compensated Curtailment automatically entitling Seller to Lost Production Payment(s) for each such curtailment.
 - 6.7.2 Curtailment Procedure. To curtail Energy, NorthWestern shall give Seller prior notice, including the maximum allowable Energy to be delivered to the Point of Interconnection during any period of curtailment (which may, in NorthWestern's discretion, be zero (0) MWh) and when such curtailment will begin and end. If the duration is not known, the curtailment will terminate upon notice from NorthWestern to Seller. Notice of a curtailment shall be given to Seller a reasonable period before effectiveness of such curtailment in writing or via phone and promptly confirmed in writing. Upon receipt of notice of the curtailment, Seller shall operate the Facility so as to ensure that the amount of Energy delivered to the Point of Interconnection during the curtailment period will not exceed the maximum allowable Energy specified by NorthWestern in the notice. NorthWestern may change the maximum amount of Energy allowed and the duration of any curtailment by providing reasonable notice to Seller as described above in this Section 6.7.2.
 - 6.7.3 Lost Production Payment. In the event the delivery of Energy is curtailed due to a reason that qualifies as a Compensated Curtailment, and such curtailment

results in Lost Production, Seller shall be entitled to Lost Production Damages on a monthly basis as its sole and exclusive remedy and NorthWestern's sole and exclusive liability; provided that this limitation on liability shall not apply to damages suffered by Seller due to NorthWestern's gross negligence or willful misconduct. Lost Production must be calculated using data from the SCADA System and based on actual measurements during the applicable time as recorded by the Facility's measurement instrumentation. Seller shall provide to NorthWestern relevant data and supporting documentation (including applicable tax rates) so that NorthWestern can verify the calculation of Lost Production Damages.

Seller is not entitled to compensation for Lost Production if Energy is curtailed due to any reason that qualifies as an Uncompensated Curtailment. NorthWestern is not obligated to arrange alternative transmission services during any such event.

- 6.7.4 Creditable Hours. If upon completion of the Term, there are any Creditable Hours due to NorthWestern, then NorthWestern is entitled to an extension of the Term (the "*Extended Term*") which shall extend until the delivery of Creditable Hours is satisfied. During any Extended Term, Seller shall, at Seller's option and at no cost or expense to NorthWestern either: (i) deliver Energy from the Facility to the Point of Interconnection; or (ii) procure and deliver electric energy to the NorthWestern System and commercially equivalent Environmental Attributes; provided that Sections 5.3, 5.4 and 5.5 shall be of no further force or effect during any Extended Term.
- 6.8 Forecasting. Commencing on the In-Service Date, Seller will provide to NorthWestern a forecast of Energy output from a service provider reasonably acceptable to NorthWestern, and in the event Seller does not so provide such forecast NorthWestern may deduct from the amount required by Section 5.5.1 the actual cost to obtain the forecast of Energy output. Seller shall provide all such forecasts in a commercially reasonable manner and in compliance with the Law and applicable tariff requirements, including day-ahead forecasts with intra-hour updates if required, in each case in a format satisfying the requirements of NorthWestern or the Transmission Authority.
- 6.9 Forced Outages. If Seller is providing forecasting services in accordance with Section 6.8 of this Agreement, notification of Forced Outages is not required; provided that if NorthWestern's operational requirements change during the Term of the Agreement, the Parties agree to develop new notification standards. If NorthWestern is providing forecasting services, Seller shall notify NorthWestern of any Forced Outage affecting any Unit at the Facility. Such notice must include the existence, nature and expected duration of the Forced Outage. Such notice shall be given as soon as practical, but in no event later than thirty (30) minutes after the Forced Outage occurs (unless the delay is due to efforts to control immediate danger to person or property).

ARTICLE 7: SECURITY & DAMAGES

- 7.1 Security Requirements. On the Effective Date, Seller shall provide NorthWestern with commercially reasonable documentation to determine Seller's creditworthiness. Such documentation would include, at a minimum, the last two years of audited financial statements including any notes to the financials of Seller and Seller's parent, or the last two years of audited financial statements from a guarantor on behalf of the Seller, and documentation that Seller is current on existing debt obligations, has not been a debtor in a bankruptcy proceeding within the preceding two years, and that neither Seller nor any Affiliate has defaulted on a power purchase agreement within the preceding two years. Upon receipt of this information, NorthWestern will review the information provided and, if necessary, request additional information or will provide written confirmation or rejection of a determination that Seller has acceptable creditworthiness, to NorthWestern's satisfaction in NorthWestern's sole discretion. In lieu of providing evidence of acceptable creditworthiness, Seller must provide NorthWestern with Cash Security or Letter of Credit(s) Security as Default Security, within fifteen days of the Execution of this Agreement in the amount of \$250,000 and \$750,000 within 30 days of First Unit Construction.
- 7.2 Delay Damages. The Parties acknowledge and agree that if the Facility fails to achieve Commercial Operation by the Guaranteed Commercial Operation Date for any reason other than Force Majeure, an order of a Governmental Agency (excluding action required by Section 4.1.4) or Transmission Authority (excluding action required by Section 4.1.5) that is not due to NorthWestern's breach of this Agreement, NorthWestern will incur damages that are impossible to calculate with reasonable certainty and that the liquidated damages provided for below are a reasonable and appropriate approximation of those damages:
- 7.2.1 Subject to Section 7.2.3, Seller will be liable for liquidated damages of \$375 per day that the Commercial Operation Date has not occurred starting on the Guaranteed Commercial Operation Date; provided that in no event will Delay Damages exceed One Hundred Thousand Dollars (\$100,000) (the "*Delay Damages Cap*"). NorthWestern may deduct the amount of liquidated damages due pursuant to the previous sentence from the Default Security. To the extent that NorthWestern receives any payment from the Default Security, Seller shall, within ten (10) Business Days, restore the Default Security as if no such deduction had occurred.
- 7.2.2 If the Facility fails to achieve Commercial Operation by the date on which the Delay Damages Cap has been exceeded, this Agreement may be terminated by NorthWestern. Seller shall be liable for Delay Damages accrued prior to the termination of this Agreement.
- 7.2.3 Notwithstanding Section 7.2.1, if:
- (i) Seller executes the Generator Interconnection Agreement, timely delivers to the Transmission Provider the necessary security and satisfies the design, procurement and construction authorization milestones of the Generator Interconnection Agreement;

- (ii) despite the satisfaction of such requirements Seller is unable to achieve Commercial Operation by the Guaranteed Commercial Operation Date as a result, in whole or in part, of the failure of the Transmission Provider to complete the interconnection facilities identified in the Generator Interconnection Agreement necessary for Seller to deliver and transform the Energy at the Point of Interconnection; and
- (iii) the Transmission Provider's failure to complete the interconnection facilities is not, in whole or in part, a result of an act, omission or failure to act by Seller;

then NorthWestern shall not impose Delay Damages pursuant to Section 7.2.1 prior to the Transmission Provider's completion of the interconnection facilities plus 30 calendar days for the completion of Facility testing.

7.3 Default Damages.

- 7.3.1 If this Agreement is terminated after all of the conditions in Section 4.1.4, 4.1.5, and 4.1.6 have been satisfied but before the Commercial Operation Date due to a Seller Event of Default pursuant to Section 8.1, Seller agrees that NorthWestern's damages, including Delay Damages, equal a minimum of one hundred thousand United States dollars (\$100,000), and upon such termination NorthWestern may immediately deduct the unpaid amount of such minimum damages from the Default Security. For clarification, the stipulated minimum does not constitute a limitation or restriction upon NorthWestern's right to pursue damages in excess of the amount referenced above except that NorthWestern shall not be entitled to an amount in excess of the Default Security (without the right to replenishment thereof).
- 7.3.2 Seller shall be liable to NorthWestern for actual damages caused by Seller's default of obligations under this Agreement after the Facility achieves Commercial Operation. NorthWestern may claim such damages by providing notice to Seller and, after thirty (30) days, deducting such damages from Default Security.

7.4 Restoration of Default Security. To the extent that NorthWestern makes any draw or receives any payment from the Default Security to which NorthWestern is entitled, Seller shall, within ten (10) Business Days, restore the Default Security to its full required value.

7.5 Minimum Letter of Credit Requirements. A Letter of Credit provided by Seller to satisfy the obligation to deliver and maintain Default Security must meet the following minimum requirements:

- 7.5.1 The form of the Letter of Credit must be acceptable to NorthWestern;
- 7.5.2 The Letter of Credit must be issued by a United States commercial bank or a foreign bank with a U.S. branch with such bank having a credit rating of at least A- from S&P or A3 from Moody's;

7.5.3 The Letter of Credit must require Seller to provide a minimum of thirty (30) days advance written notice prior to any expiration, non-renewal or early termination, with a right for NorthWestern to immediately draw the full value of the letter of credit if Seller fails to provide a substitute form of Default Security meeting the requirements of this Agreement within fifteen (15) days of the written notice required herein and may retain the funds until satisfaction of Seller's obligations hereunder.

Costs of a Letter of Credit shall be borne by the Seller for such Letter of Credit.

7.6 Retention of Default Security Upon Termination. In the event this Agreement is terminated due to a Seller Event of Default, NorthWestern may retain any Cash Security until satisfaction of Seller's obligations hereunder, except for unasserted contingent indemnification obligations.

ARTICLE 8: DEFAULT; TERMINATION

8.1 Seller Event of Default.

8.1.1 Any of the following constitutes a Seller Event of Default and, upon occurrence, no cure period is applicable:

- (i) Seller is Bankrupt;
- (ii) Seller's failure to provide Default Security as defined by Section 7.1;
- (iii) Seller's failure to achieve Commercial Operation by the date set forth in Section 7.2.2; or
- (iv) Seller's actual fraud, intentional misrepresentation, willful misconduct or the unauthorized sale or diversion of Energy by Seller to a third party.

8.1.2 Any of the following constitutes a Seller Event of Default upon occurrence, but is subject to cure within thirty (30) days (or such longer cure period specified below) after the date of written notice from NorthWestern to Seller:

- (i) Seller's failure to replenish Default Security as required herein;
- (ii) Seller's material breach of the GIA or interconnection agreement with the Transmission Authority which the counterparty thereto has initiated action to enforce;
- (iii) Seller's failure to make any payment required by this Agreement after NorthWestern has made a written demand therefor; or
- (iv) Seller's failure to comply with any material obligation under this Agreement after NorthWestern has provided Seller with a written notice of such failure, including Seller's failure to maintain the Facility's QF status during the Term.

however, if such Seller Event of Default is not capable of cure within thirty (30) days, Seller shall commence such cure within thirty (30) days after notice and continuously and diligently complete such cure within ninety (90) days from

receipt of the notice; and, if cured within such time, the Event of Default specified in such notice shall cease to exist.

8.2 NorthWestern Event of Default.

8.2.1 Any of the following constitutes a NorthWestern Event of Default and, upon occurrence, no cure period is applicable:

- (i) NorthWestern is Bankrupt; or
- (ii) NorthWestern's actual fraud, intentional misrepresentation or willful misconduct.

8.2.2 Any of the following constitutes a NorthWestern Event of Default upon occurrence, but is subject to cure within thirty (30) days (or such longer cure period specified below) after the date of written notice from Seller to NorthWestern:

- (i) NorthWestern's failure to make any payment required by this Agreement; or
- (ii) NorthWestern's failure to comply with any material obligation under this Agreement.

however, if such NorthWestern's Event of Default is not capable of cure within thirty (30) days, NorthWestern shall commence such cure within thirty (30) days after notice and continuously and diligently complete such cure within ninety (90) days from receipt of the notice; and, if cured within such time, the Event of Default specified in such notice shall cease to exist.

8.3 Lender's Right to Cure a Seller Event of Default. Seller shall provide NorthWestern with written notice identifying Seller's Lender, including contact information. Following receipt of such notice, NorthWestern agrees to provide notice of a Seller's Event of Default to the Lender. NorthWestern further agrees to accept a cure of a Seller's Event of Default performed by the Lender, provided the cure is accomplished within the applicable cure period set forth by this Agreement.

8.4 Termination.

8.4.1 Upon the occurrence of a Seller's Event of Default or NorthWestern Event of Default, which has not been cured within the specified cure period, if applicable, the non-defaulting Party may, in addition to any other rights or remedies available at law or in equity (but subject to the limitations set forth in Section 9.5), terminate this Agreement effectively immediately upon delivery of written notice to the defaulting Party.

8.4.2 Notwithstanding anything in this Agreement to the contrary, this Agreement will terminate automatically, with no liability of any kind for nonperformance hereunder, unless all the conditions described in Sections 4.1.4, 4.1.5, and 4.1.6 are satisfied or waived by (unless such date is extended by mutual written agreement of the Parties).

- 8.4.3 Notwithstanding anything in this Agreement to the contrary, this Agreement may be terminated by Seller on or before, with no liability of any kind for nonperformance hereunder, if Seller has not received a Lender's financing commitment for the construction of the Facility. Seller shall use commercially reasonable efforts to fulfill or cause this financing contingency to be fulfilled. Seller's failure to notify NorthWestern of its decision to terminate this Agreement pursuant to this Section 8.4.3 will be deemed a waiver of Seller's right based on the non-fulfillment of this financing contingency.
- 8.5 Effect of PURPA. The Parties acknowledge that this Agreement is being entered into pursuant to the obligations and provisions of PURPA. Upon execution of the Agreement by the Parties, however, the Parties shall be bound by the rights and obligations of this Agreement with respect to its subject matter, and PURPA and the Order shall be applicable only to (i) circumstances and issues not addressed by the Agreement, and (ii) the obligations of the Parties upon termination of the Agreement. The repeal or amendment of PURPA, or the modification, reversal or withdrawal of the Order subsequent to the execution and delivery of this Agreement shall not provide a basis for amending or terminating this Agreement.

ARTICLE 9: INDEMNIFICATION AND LIABILITY

- 9.1. General Indemnity. Each Party shall indemnify, defend and hold the other Party and its officers, directors, Affiliates, agents, employees, contractors and subcontractors, harmless from and against any and all claims, to the extent caused by any act or omission of the indemnifying Party or the indemnifying Party's own officers, directors, Affiliates, agents, employees, contractors or subcontractors or to the extent such claims arise out of or are in any manner connected with the performance of this Agreement by such indemnifying Party. In the event that any loss or damage with respect to any claim is caused by the negligence of both NorthWestern and Seller, including their respective officers, directors, Affiliates, agents, employees, contractors or subcontractors, such loss or damage shall be borne by NorthWestern and Seller in the proportion that their respective negligence bears to the total negligence causing such loss or damage.
- 9.2 Environmental Indemnity. Seller agrees to defend, indemnify and hold NorthWestern and its officers, directors, employees, agents, and representatives, and their respective successors and assigns, from and against all claims, actions, demands, losses, liabilities, damages, judgments, penalties, injuries, and expenses arising from or related to any Environmental Liability concerning Seller, the Facility or the Site, including, but not limited to: (i) any claim for personal injury, bodily injury or property damage by any person arising out of, resulting from or caused by any violation of any applicable Environmental Law by Seller or concerning the Facility or the Site; (ii) any assessment, fine, penalty, lien, or other imposition by any Governmental Agency; and (iii) any liability, losses, or remedial costs suffered because a Governmental Agency finds NorthWestern to be a responsible party, owner or operator of the Facility or the Site, except, in each case, to the extent that the claim,

assessment, fine, penalty, loan, imposition, liability, loss or remediated costs are due to NorthWestern's acts or omissions.

- 9.3 Indemnity Procedure. Whenever any suit or other proceeding which involves any matter for which the indemnification provisions of this Agreement are applicable, the indemnifying party shall, upon receipt of timely notice of the institution of such suit or other proceedings, assume the defense thereof and defend the same at its own expense and shall pay any and all costs, charges, attorneys' fees and other expenses and any and all judgments that may be incurred by or obtained against the indemnified party in such suits or other proceedings, and if any judgment or other lien is placed upon or obtained against the property of the indemnified party as a result of such suits or other proceedings, the indemnifying party shall at once cause the same to be released and discharged by giving bond or otherwise.
- 9.4 Fines:
- 9.4.1 With the exception of Section 7.5, any fines, penalties or other costs incurred by either Party or such Party's agents, employees or subcontractors for non-compliance by such Party, its agents, employees or subcontractors with the requirements of any Laws, Environmental Law or Governmental Approvals shall not be reimbursed by the other Party but shall be the sole responsibility of such non-complying Party.
- 9.4.2 If such fines, penalties or other costs are assessed against NorthWestern by any Governmental Agency or court of competent jurisdiction due to the non-compliance by Seller with any Laws, Environmental Law or Governmental Approvals, Seller shall indemnify and hold harmless NorthWestern against any and all losses, liabilities, damages and claims suffered or incurred because of the failure of Seller to comply therewith, subject to refund in the event that Seller or NorthWestern prevails in any Contest described below. Seller shall also reimburse NorthWestern for any and all legal or other expenses (including attorneys' fees) reasonably incurred by NorthWestern in connection with such losses, liabilities, damages and claims.
- 9.4.3 If such fines, penalties or other costs are assessed against Seller by any Governmental Agency or court of competent jurisdiction due to the non-compliance by NorthWestern with any Laws or Governmental Approvals, NorthWestern shall indemnify and hold harmless Seller against any and all losses, liabilities, damages and claims suffered or incurred because of the failure of NorthWestern to comply therewith, subject to refund in the event that NorthWestern or Seller prevails in any Contest described below. NorthWestern shall also reimburse Seller for any and all legal or other expenses (including attorneys' fees) reasonably incurred by Seller in connection with such losses, liabilities, damages and claims.
- 9.4.4 Either Party shall, upon written notice to the other Party, have the right to reasonably Contest in the name of either or both Parties, as required, or to require the other Party to reasonably Contest, the assessment of such fines, penalties or costs and such contesting Party shall be responsible for any costs

and expenses (including the costs and expenses of the other Party) relating to such Contest.

9.5 Limitations of Liability, Remedies and Damages:

9.5.1 Each Party acknowledges and agrees that in no event shall any partner, shareholder, member, manager, owner, officer, director, employee or Affiliate of either Party be personally liable to the other Party for any payments, obligations, or performance due under this Agreement or any breach or failure of performance of either Party and the sole recourse for payment or performance of the obligations under this Agreement shall be against Seller or NorthWestern and each of their respective assets and not against any other entity, except for such liability as expressly assumed by an assignee pursuant to an assignment of this Agreement in accordance with the terms hereof.

9.5.2 ALL DAMAGES, WHETHER SOUNDING IN CONTRACT, TORT, OR EQUITY SHALL BE AVAILABLE TO EITHER PARTY IN THE EVENT OF BREACH BY EITHER PARTY OF ANY OBLIGATION ARISING IN LAW, EQUITY OR STATUTE. THIS DOES NOT EFFECT ANY OBLIGATIONS ARISING UNDER SECTION

9.6 Survival. The provisions of this Article 9 shall survive the termination of this Agreement.

9.7 Insurance Obligation. The provisions of this Article 9 shall not be construed so as to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any valid insurance policy.

ARTICLE 10: INSURANCE

10.1 Required Coverage. Seller, at its own expense, must procure, prior to the commencement of any physical construction at the Site, and must maintain in force throughout the Term of this Agreement the following minimum insurance coverages that are placed with an insurer that has an A.M. Best rating of A-VII or better:

10.1.1 Workers' Compensation insurance providing statutory benefits in accordance with the laws and regulations of the state.

10.1.2 Employer's Liability - \$500,000 each accident; \$500,000 disease - policy limit; and \$500,000 disease - each employee.

10.1.3 Commercial General Liability insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars (\$1,000,000) per occurrence, Two Million Dollars (\$2,000,000) general aggregate and One Million Dollars (\$1,000,000) products/completed operations aggregate.

General Liability & General Aggregate limits are to be on a "Per Project/Per Location" basis.

- 10.1.4 Comprehensive Automobile Liability insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.
- 10.1.5 Umbrella/Excess Liability insurance at a minimum of Five Million Dollars (\$5,000,000).
- 10.2. Additional Insured. The Commercial General Liability insurance, Comprehensive Automobile insurance, and Umbrella/Excess Liability insurance policies shall name NorthWestern, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("*Other Party Group*") as additional insureds. Before commencing any deliveries under this Agreement, Seller shall deliver to NorthWestern in accordance with this Article 10, an insurance certificate evidencing the required coverage, limits and additional insured provisions as required by this Agreement. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this Agreement against the Other Party Group, insurance coverage shall be primary and non-contributory, and provide thirty (30) days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition. A copy of the cancellation clause endorsement as noted above shall be attached to the insurance certificate.
- 10.3. Continuing Coverage. The Commercial General Liability insurance and Comprehensive Automobile Liability insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed to by the Parties.
- 10.4. Proof of Insurance. Upon commencement of construction at the Site and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, Seller shall provide certification of all insurance required in this Agreement, executed by the insurer or by an authorized representative.
- 10.5. Self-Insurance. Notwithstanding the foregoing, Seller may self-insure to meet the minimum insurance requirements of Sections 10.1.1 through 10.1.5, to the extent it maintains a self-insurance program; any self-insured retention over One Million Dollars (\$1,000,000) must be preapproved by NorthWestern.

ARTICLE 11: NOTICES

Any notice provided for in this Agreement, or served, given or made in connection with this Agreement, shall be in writing and shall be deemed properly served, given or made, if

delivered in person or sent by facsimile, courier service, email, or registered, first class certified U.S. mail, postage prepaid, addressed to the intended recipient at the address set forth below. Telephone conversations do not constitute notice under this Agreement.

To Seller:

Greycliff Wind Prime, LLC
c/o National Renewable Solutions, LLC
328 Barry Avenue South, Suite 100
Wayzata, MN 55391
Attn: Patrick Pelstring
Fax: (952) 473-7507
Email: ppelstring@natrs.com

With a copy to:

Winthrop & Weinstine, P.A.
225 South Sixth Street, Suite 3500
Minneapolis, MN 55402
Attn: Norm Jones
Fax: (612) 604-6905
Email: njones@winthrop.com

To NorthWestern:

NorthWestern Energy
Attn: Frank Bennett
40 East Broadway
Butte, MT 59701-9394
Phone: (406) 497-2536
Fax: (406) 497-2629
Email: frank.bennett@northwestern.com

With a copy to:

Legal Department
NorthWestern Energy
208 North Montana Avenue
Helena, MT 59601
Fax: (406) 443-8979

ARTICLE 12: NOT USED

ARTICLE 13: ASSIGNMENT; OWNERSHIP; RIGHT OF FIRST OFFER

- 13.1. Assignment Prohibited. Neither Party shall either voluntarily or by operation of law assign or transfer its rights nor delegate its duties under this Agreement, or any part of such rights or duties, without the written consent of the other Party, except that (i) NorthWestern's consent is not required for (a) Seller's granting of a security interest in connection with financing for the Facility (and any such lender's exercise of remedies in connection with such security interest), (b) Seller's assignment or

transfer to any and all investors making a tax equity investment in the Facility, or (c) Seller's assignment or transfer of this Agreement in whole (and not in part) to an Affiliate and (ii) Seller's consent is not required for NorthWestern assignment in connection with a merger, consolidation or corporate reorganization involving substantially all of the assets of NorthWestern, provided such merger, consolidation or corporate reorganization is approved by the Commission. Consent to assignment will not be withheld, delayed or conditioned unreasonably.

- 13.2. Assumption of Liabilities. No assignment by either Party shall be effective, notwithstanding a consent granted thereto, unless the assignee under such assignment agrees in writing to unconditionally assume all of the duties, liabilities, and obligations of the assigning Party under this Agreement.
- 13.3. Obligations to Assignee. No assignment shall be effective, notwithstanding consent thereto, to the extent that such assignment purports to extend, increase, or otherwise alter the obligations of the non-assigning Party under this Agreement, other than the substitution of the assignee for the assigning Party.
- 13.4. Validity. Any attempted or purported assignment, assumption or transfer by a Party made other than in accordance with this Article 13, whether made voluntarily or by operation of law, shall be void and of no effect.
- 13.5. Lender Accommodation. Upon receipt of a written request in connection with its financing of the Facility or other financial accommodation for Seller, and at Seller's expense if any cost is incurred, NorthWestern agrees to cooperate with the due diligence efforts, and execute and deliver a commercially reasonable consent and agreement or similar or related instrument with respect to a Lender; provided that NorthWestern is not obligated to consent or enter into any agreement that materially affects any of NorthWestern's rights, benefits, risks and/or obligations under this Agreement; provided, further, that NorthWestern shall provide any such lender with notice of a default by Seller and the opportunity to cure such Seller default within not less than thirty (30) days after receiving such notice.

ARTICLE 14: TAXES

- 14.1 Taxes. All taxes, fees, levies, assessments, penalties, licenses, or charges imposed by any Governmental Authority (collectively "*Taxes*") on or with respect to the Facility, the Site and the production of Energy prior to the Point of Interconnection are the responsibility of and shall be paid by Seller. NorthWestern shall pay or cause to be paid all Taxes on or with respect to the Energy at and after the Point of Interconnection. Any sales, production or excise Taxes attributable to the Energy purchases from the Facility, including but not limited to ad valorem taxes, the energy production license tax and the wholesale energy transaction tax, that are levied against NorthWestern shall be reimbursed by Seller. If a Party is required to remit or pay Taxes that are the other Party's responsibility hereunder, the Party responsible for such Taxes shall reimburse the Party that paid such Taxes. Such reimbursement shall be made by the responsible Party on or before sixty (60) days after: (i) such

invoices are received; or (ii) such Taxes are actually paid and proper documentation thereof is furnished, whichever is later.

- 14.2 Tax Credits and Incentives. Seller shall be entitled to all: (i) federal and state production tax credits, investment tax credits, and any other tax credits which are or will be generated by the Facility due to the Facility's prime mover; and (ii) any cash payments or grants of money relating in any way to the development, construction, or operation of the Facility. NorthWestern is not obligated to Seller if the Facility does not qualify for any of the tax credits or incentives described in this section.
- 14.3 Provision of Information. The Parties shall provide information concerning the concerning the Facility to any requesting taxing authority.

ARTICLE 15: FORCE MAJEURE

- 15.1 Force Majeure. The term "Force Majeure" means an event or circumstance which prevents one Party from performing its obligations under this Agreement, which is not within the reasonable control or the result of an act or omission of the claiming Party, and which, by the exercise of due diligence, the claiming Party is unable to overcome or avoid. Events of Force Majeure include, without limitation, acts of God or the public enemy, war, whether declared or not, blockade, insurrection, riot, civil disturbance, public disorders, rebellion, violent demonstrations, sabotage or terrorist action; any effect of unusual natural elements including fire, earthquakes, floods, severe wind conditions, lightning, tornadoes, unusually severe storms, or similar cataclysmic occurrences or other unusual natural calamities; explosion, accident or epidemic; general strikes, lockouts or other collective or industrial action by workers or employees, or other labor difficulties (other than by employees of a Party, a Party's Affiliates or contractors/suppliers); accidents of navigation or breakdown or injury of vessels, accidents to harbors, docks, canals or other assistances to or adjuncts of shipping or navigation or quarantine; air crash, shipwreck or train wreck.
- 15.2 Exclusions. Notwithstanding anything in the Agreement to the contrary, Force Majeure does not include: changes in market conditions or changes in the availability or the lack of funds or financing; the inability or failure of Seller to arrange for, acquire or procure transmission service (excluding as a result of a forced outage not primarily caused by Seller) or b) any suspension or termination of transmission service that is not the result of Seller's breach of the terms of such transmission service); any waiting period or other period of time that is usual and necessary in connection with any Governmental Agency action; customary inclement weather affecting construction, start-up, operation, or decommissioning of the Facility; and the unavailability of equipment, repairs or spare parts for the Facility, except to the extent due to an independent event of Force Majeure.
- 15.3 Notice. In the event of any delay or nonperformance resulting from an event of Force Majeure, the Party suffering the event shall, as soon as practicable, but no later than ten (10) days after the occurrence of the event, notify the other Party in writing of the nature, cause, date of commencement thereof, and the anticipated extent of any delay or interruption in performance. A Party failing to deliver notification of a Force

Majeure event within the ten (10) day period does not preclude such Party from claiming Force Majeure thereunder, but no extension of time to perform shall be granted for any period in which the Party failed to provide notice.

- 15.4 Performance. The performance of any obligation required hereunder shall be excused, in whole or in part, during the continuation of any event of Force Majeure suffered by the Party whose performance is hindered in respect thereof. Prior to the Commercial Operation Date, the time for performance of any obligation that has been delayed due to the occurrence of an event of Force Majeure shall be extended on an equitable basis subject to mutual agreement of the Parties. Each Party suffering a Force Majeure event shall take, or cause to be taken, all commercially reasonable action as may be necessary to overcome or mitigate the effects of any event of Force Majeure and to resume performance hereunder as soon as practicable under the circumstances.
- 15.5 Limitation on Effect of Force Majeure; Termination. In no event will any delay or failure of performance caused by any condition or event of Force Majeure extend this Agreement beyond its stated Term. Either Party may terminate this Agreement if the other Party fails to remedy its failure to perform, due to an event of Force Majeure, within six (6) consecutive months after the occurrence of the event of Force Majeure unless such failure is not capable of being remedied within such time and the Party failing to perform has begun such remedy within thirty (30) days of the Force Majeure, in which case the time to remedy shall extend so long as the Party diligently and continuously pursues such remedy, but no longer than twelve (12) consecutive months after the occurrence of the event of Force Majeure.

ARTICLE 16: GENERAL PROVISIONS

16.1 Disputes:

- 16.1.1 Payment Disputes. In the event of a dispute regarding an invoice, NorthWestern shall pay the undisputed amount to Seller pursuant to the terms of this Agreement and NorthWestern shall further notify Seller of the amount(s) in dispute and the basis for the dispute. Any billing dispute shall be governed by the terms of Section 16.2 of this Agreement. When the billing dispute has been resolved, NorthWestern shall pay the amount owed, if any, within ten (10) Business Days of the date of such resolution.
- 16.1.2 Other Disputes. When a dispute has arisen and negotiations between the Parties have reached an impasse, either Party may give the other Party written notice of the dispute. In the event such notice is given, the Parties shall attempt to resolve the dispute promptly by negotiations between representatives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for the matter. Within ten (10) Business Days after delivery of the notice, the receiving Party shall submit to the other a written response. Thereafter, the representatives shall confer in person or by telephone promptly to attempt to resolve the dispute. All reasonable requests for information made by one Party to the other will be honored.

If the dispute has not been resolved by negotiation between the representatives within thirty (30) days of the notice, or if the Parties have failed to confer within twenty (20) days after delivery of the notice, the parties shall endeavor to settle the dispute by non-binding mediation. The mediation shall consist of both Parties agreeing to one neutral mediator, providing the mediator with simultaneous, non-shared written position statements, and daylong mediation at the chosen mediator's desired location.

Should the mediation not lead to settlement of the dispute, then either Party may proceed to a court of competent jurisdiction.

All negotiations and proceedings pursuant to this process are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence and any additional confidentiality protections provided by Law.

16.2 Choice of Law and Venue.

16.2.1 This Agreement shall be construed and interpreted in accordance with the laws of the State of Montana or the United States, as applicable, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.

16.2.2 Venue for any claim or action arising from this Agreement shall be resolved in federal or state courts of competent jurisdiction situated within the State of Montana.

16.3 Governmental Approvals. Copies of all Governmental Approvals obtained by Seller for the operation of the Facility shall be provided to NorthWestern upon request or as specifically required under this Agreement.

16.4 Entire Agreement. This Agreement, including all Exhibits hereto, constitutes the entire understanding between the Parties and supersedes any and all previous understandings or agreements between the Parties with respect to the subject matter hereof. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

16.5 No Third Party Beneficiaries; No Dedication to Public Use. Nothing in this Agreement shall be construed to create any rights in, or grant remedies to, any third party as a beneficiary of this Agreement or of any duty, covenant, obligation or understanding established under this Agreement. Neither Party, by this Agreement, dedicates any part of the Facility to the public, nor does this Agreement affect the status of NorthWestern as an independent public utility corporation, or Seller as an individual or entity.

16.6 Severable Liability. Except where specifically stated in this Agreement to be otherwise, the duties, obligations and liabilities of the Parties are intended to be several and not joint or collective.

- 16.7 No Partnership. Nothing contained herein shall be deemed to create an association, joint venture, partnership or principal/agent relationship between the Parties hereto or to impose any partnership obligation or liability on either Party. Neither Party shall have any right, power or authority to enter into any agreement or commitment, act on behalf of, or otherwise bind the other Party in any way.
- 16.8 Obligation to Provide Electric Service. NorthWestern is obliged to provide electricity service to Seller at the facility pursuant to 18 C.F.R. § 292.303(b), 18 C.F.R. § 292.305, and A.R.M. § 38.5.1903(3) If Seller requires any services at the Facility from NorthWestern, Seller shall receive such service in accordance with NorthWestern's applicable electrical tariffs as existing or, as may be established from time to time and on file with and authorized by the Commission. NorthWestern may require as a condition of such service that Seller execute a separate agreement covering the sale of electricity by NorthWestern to Seller at the Point of Interconnection.
- 16.9 Seller Financing. Except as specifically set forth herein, no documents shall be provided by NorthWestern, nor shall NorthWestern be required to make any warranties or representations to assist the Seller in obtaining financing.
- 16.10 Modification or Amendment. No modification, amendment or waiver of any provision of this Agreement shall be valid unless it is in writing and signed by both Parties.
- 16.11 Severability. If any term or provision of this Agreement or the application thereof to any Person or circumstance is held to be illegal, invalid or unenforceable under any present or future Law or by any Governmental Agency: (i) such term or provision shall be fully severable; (ii) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof;(iii) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance here from; and (iv) the Parties shall negotiate in good faith to enter into such modifications of this Agreement as may be necessary to preserve the economic and other benefits of this Agreement to the affected Party to the greatest extent possible and permissible.
- 16.12 Captions. All indexes, titles, subject headings, article titles and similar items are provided for the purpose of reference and convenience and are not intended to be inclusive, definitive or to affect the meaning of the contents or scope of this Agreement.
- 16.13 Counterparts. This Agreement may be signed in counterparts.
- 16.14 Exhibits. This Agreement includes Exhibits A, B, C, D and E which are attached, and incorporated by reference herein. Exhibits may from time to time be changed in writing upon mutual agreement of the Parties.
- 16.15 Survival. The provisions of this Article 16 shall survive any expiration or termination of this Agreement.

ARTICLE 17: REGULATION BY THE COMMISSION

Seller acknowledges that NorthWestern, as a public utility, is subject to regulation by the Commission and that NorthWestern may be required to submit information, data or documents regarding this Agreement, Seller, or the Facility, including, but not limited to, a copy of this Agreement, together with any other documentation associated herewith, to the Commission as part of any regulatory proceedings. To the extent Seller wishes to seek a protective order for this Agreement or any other information to be submitted to the Commission, Seller shall be solely responsible for preparing and otherwise requesting any such protective order from the Commission. Seller acknowledges that, notwithstanding anything herein to the contrary, NorthWestern may submit a copy of this Agreement and any other information related herewith to the Commission as part of complying with any portion of an Commission request, order or other regulatory proceeding, regardless of whether Seller has requested a protective order from Commission, until such time as a protective order is issued that relieves NorthWestern of its legal obligations to provide information requested by the Commission. NorthWestern shall have no obligation to participate in, cooperate with, or in any way assist Seller in seeking any protective order, except that NorthWestern shall provide Seller with reasonable prior written notice of its submission of this Agreement to the Commission to enable Seller to seek a protective order.

ARTICLE 18: LOCAL HIRING AND WAGE STANDARDS

- 18.1 Seller will give preference to the employment of bona fide Montana residents as defined in §18-2-401, MCA, in the performance of all work on the Facility so long as Montana residents have substantially the same qualifications to those of nonresidents.
- 18.2 Seller will require all contractors to pay the standard prevailing rate of wages for heavy construction, as provided in §18-2-414, MCA, during the construction phase of the Facility.

Execution Version

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date first written above.

NORTHWESTERN ENERGY

BY: _____

ITS: _____

DATE: _____

GREYCLIFF WIND PRIME LLC

BY: *Kevin Pest*

ITS: *Manager*

DATE: *7-1-15*

**Standard Large Generator
Interconnection Agreement (LGIA)**

between

NorthWestern Corporation

and

Greycliff Wind Prime, LLC

Exhibit 4

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Standard Large Generator Interconnection Agreement

THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT ("Agreement") is made and entered into this ____ day of _____ 20__, by and between Greycliff Wind Prime, LLC, a limited liability corporation organized and existing under the laws of the State/Commonwealth of Montana ("Interconnection Customer" with a Large Generating Facility), and NorthWestern Corporation, a corporation organized and existing under the laws of the State of Delaware ("Transmission Provider and Transmission Owner"). Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

Recitals

WHEREAS, Transmission Provider operates the Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and,

WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility with the Transmission System;

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

When used in this Standard Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Open Access Transmission Tariff (Tariff).

Article 1 Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries,

controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

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

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

Applicable Reliability Council shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

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

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

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

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

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the

present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by the Applicable Reliability Council.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

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

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

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

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

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission Provider's Transmission System, the Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or the Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that the Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission

System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

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

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

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

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

Generating Facility shall mean the Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

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

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that

such term does not include the Interconnection Customer, the Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

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

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

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

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

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission Provider's Transmission System, the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

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

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

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of the Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall be a group made up of representatives from the Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

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

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

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

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

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

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

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

Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

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

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

Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease or grant the Interconnection Customer the right to possess or occupy a site for such purpose.

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

Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement.

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

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

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

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

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

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

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

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

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

Variable Energy Resource shall mean a device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

Article 2 Effective Date, Term and Termination

2.1 Effective Date

This LGIA shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. Transmission Provider shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.

2.2 Term of Agreement

Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as Interconnection Customer may request (*Term to be specified in individual agreements*) shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures

2.3.1 Written Notice This LGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice, or by Transmission Provider notifying FERC after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default Either Party may terminate this LGIA in accordance with Article 17.

2.3.3 Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this LGIA, which notice has been accepted for filing by FERC.

2.4 Termination Costs

If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2 Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the

removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection

Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

2.6 Survival

This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3 Regulatory Filings

3.1 Filing

Transmission Provider shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this LGIA or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

Article 4 Scope of Service

4.1 Interconnection Product Options

Interconnection Customer has selected the following (checked) type of Interconnection Service:



4.1.1 Energy Resource Interconnection Service

4.1.1.1 The Product

Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive Energy Resource Interconnection Service, Transmission Provider shall construct facilities identified in Attachment A.

4.1.1.2 Transmission Delivery Service Implications

Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MW's identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so (e.g., PJM, ISO-NE, NYISO), Interconnection Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of

Transmission Provider's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.

4.1.2 Network Resource Interconnection Service

4.1.2.1 The Product

Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Attachment A to this LGIA.

4.1.2.2 Transmission Delivery Service Implications

Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service

under the Tariff, cost responsibility for the studies and upgrades would be in accordance with FERC's policy for pricing transmission delivery services.

Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as a Network Resource; it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.

4.2 Provision of Service

Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

4.3 Performance Standards

Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a Transmission Provider or Transmission Owner, then that Party shall amend the LGIA and submit the amendment to FERC for approval.

4.4 No Transmission Delivery Service

The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.5 Interconnection Customer Provided Services

The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5 Interconnection Facilities Engineering, Procurement, and Construction

5.1 Options

Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option or Alternate Option set forth below for completion of Transmission Provider's Interconnection Facilities and Network Upgrades as set forth in Appendix A, Interconnection Facilities and Network Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones.

5.1.1 Standard Option

Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor

agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option

If the dates designated by Interconnection Customer are acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities by the designated dates.

If Transmission Provider subsequently fails to complete Transmission Provider's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; Transmission Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable RTO or ISO refuses to grant clearances to install equipment.

5.1.3 Option to Build

If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and unless the Parties agree otherwise, Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2.. Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option

If Interconnection Customer elects not to exercise its option under Article 5.1.3, Option to Build, Interconnection Customer shall so notify Transmission Provider within thirty (30) Calendar Days, and the Parties shall in good faith attempt to negotiate terms and

conditions (including revision of the specified dates and liquidated damages, the provision of incentives or the procurement and construction of a portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades by Interconnection Customer) pursuant to which Transmission Provider is responsible for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Network Upgrades. If the Parties are unable to reach agreement on such terms and conditions, Transmission Provider shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Network Upgrades pursuant to 5.1.1, Standard Option.

5.2 General Conditions Applicable to Option to Build

If Interconnection Customer assumes responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades,

- (1) Interconnection Customer shall engineer, procure equipment, and construct Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Provider;
- (2) Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law and Applicable Reliability Standards to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (3) Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (4) prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider;
- (5) at any time during construction, Transmission Provider shall have the right to gain unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;
- (6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by

Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

- (7) Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;
- (8) Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;
- (9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider
- (10) Transmission Provider shall approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2.;
and
- (11) Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by Transmission Provider.

5.3 Liquidated Damages

The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to $\frac{1}{2}$ of 1 percent per day of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades for which Transmission Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Transmission Provider to Interconnection Customer as just compensation for the damages caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Transmission Provider's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless Interconnection Customer would have been able to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation or to export power from the Large Generating Facility, but for Transmission Provider's delay; (2) Transmission Provider's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with Transmission Provider or any cause beyond Transmission Provider's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 Power System Stabilizers

The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

5.5 Equipment Procurement

If responsibility for construction of Transmission Provider's Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider's Interconnection Facilities or Network Upgrades and procure

necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

- 5.5.1 Transmission Provider has completed the Facilities Study pursuant to the Facilities Study Agreement;
- 5.5.2 Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.5.3 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement

Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

- 5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;
- 5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;
- 5.6.3 Transmission Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.6.4 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.7 Work Progress

The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.

5.8 Information Exchange

As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 Limited Operation

If any of Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

5.10 Interconnection Customer's Interconnection Facilities ("ICIF")

Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.10.1 Interconnection Customer's Interconnection Facility Specifications

Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Transmission Provider's Review

Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be

required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.

5.10.3 ICIF Construction

The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the Impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facilities. The Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Transmission Provider's Interconnection Facilities Construction

Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection Customer the following "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities [include appropriate drawings and relay diagrams].

Transmission Provider will obtain control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.12 Access Rights

Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish *at no cost* the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities

and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13 Lands of Other Property Owners

If any part of Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider or Transmission Owner, Transmission Provider or Transmission Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf, or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property.

5.14 Permits

Transmission Provider or Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses, and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Transmission Provider or Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's generation.

5.15 Early Construction of Base Case Facilities

Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 Suspension

Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and

installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so.

Transmission Provider shall invoice 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 by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

5.17 Taxes

5.17.1 Interconnection Customer Payments Not Taxable

The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Provider for the installation of Transmission Provider's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants

In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Transmission Provider for Transmission Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Transmission Provider's Interconnection

Facilities that is a “dual-use intertie,” within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, “de minimis amount” means no more than 5 percent of the total power flows in both directions, calculated in accordance with the “5 percent test” set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Transmission Provider’s request, Interconnection Customer shall provide Transmission Provider with a report from an independent engineer confirming its representation in clause (iii), above. Transmission Provider represents and covenants that the cost of Transmission Provider’s Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon Transmission Provider

Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Transmission Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Transmission Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation; provided, however, that Transmission Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Provider (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the IRS, to keep these years open for audit or

adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount

Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Transmission Provider, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Transmission Provider ("Current Taxes") on the excess of (a) the gross income realized by Transmission Provider as a result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Transmission Provider to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Transmission Provider's composite federal and state tax rates at the time the payments or property transfers are received and Transmission Provider will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Transmission Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Transmission Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: $(\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value of Tax Depreciation})) / (1 - \text{Current Tax Rate})$. Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law

At Interconnection Customer's request and expense, Transmission Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Transmission Provider under this LGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Transmission Provider and

Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Transmission Provider shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Transmission Provider shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events

If, within 10 years from the date on which the relevant Transmission Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and Transmission Provider retains ownership of the Interconnection Facilities and Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Transmission Provider, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests

In the event any Governmental Authority determines that Transmission Provider's receipt of payments or property constitutes income that is subject to taxation, Transmission Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Transmission Provider may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Transmission Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Transmission Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable

costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Transmission Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Transmission Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Transmission Provider for the tax at issue in the contest.

5.17.8 Refund

In the event that (a) a private letter ruling is issued to Transmission Provider which holds that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Transmission Provider in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not taxable to Transmission Provider, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Transmission Provider are not subject to federal income tax, or (d) if Transmission Provider receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Transmission Provider pursuant to this LGIA, Transmission Provider shall promptly refund to Interconnection Customer the following:

- (i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,
- (ii) interest on any amounts paid by Interconnection Customer to Transmission Provider for such taxes which Transmission Provider did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR §35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Transmission Provider refunds such payment to Interconnection Customer, and

- (iii) with respect to any such taxes paid by Transmission Provider, any refund or credit Transmission Provider receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Transmission Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Transmission Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Transmission Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Transmission Provider's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes

Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this LGIA. Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider.

5.17.10 Transmission Owners Who Are Not Transmission Providers

If Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall be deemed also to refer to and to include the Transmission Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed in writing to assume all of the duties and obligations of Transmission Provider under this Article 5.17 of this LGIA.

5.18 Tax Status

Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this LGIA is intended to adversely affect any Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification

5.19.1 General

Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 Standards

Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA, Applicable Reliability Standards and Good Utility Practice.

5.19.3 Modification Costs

Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the

interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6 Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications

Prior to the Commercial Operation Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

6.2 Post-Commercial Operation Date Testing and Modifications

Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

6.3 Right to Observe Testing

Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

6.4 Right to Inspect

Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's

maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time, as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

Article 7 Metering

7.1 General

Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

7.2 Check Meters

Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

7.3 Standards

Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.

7.4 Testing of Metering Equipment

Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

7.5 Metering Data

At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

Article 8 Communications

8.1 Interconnection Customer Obligations

Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be

performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 Remote Terminal Unit

Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Provider.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation

Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

8.4 Provision of Data from a Variable Energy Resource

The Interconnection Customer whose Generating Facility is a Variable Energy Resource shall provide meteorological and forced outage data to the Transmission Provider to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The Transmission Provider and Interconnection Customer whose Generating Facility is a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. The Interconnection Customer whose Generating Facility is a Variable Energy Resource also shall submit data to the Transmission Provider

regarding all forced outages to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to the Transmission Provider, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

Article 9 Operations

9.1 General

Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 Control Area Notification

At least three months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider in writing of the Control Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.

9.3 Transmission Provider Obligations

Transmission Provider shall cause the Transmission System and Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations

Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer's shall operate the Large Generating Facility and Interconnection Customer Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.

9.5 Start-Up and Synchronization

Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.

9.6 Reactive Power

9.6.1 Power Factor Design Criteria

Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Transmission Provider has established different requirements that apply to all generators in the Control Area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

9.6.2 Voltage Schedules

Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission Provider's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to

maintain the specified voltage or power factor, it shall promptly notify the System Operator.

9.6.2.1 Governors and Regulators

Whenever the Large Generating Facility is operated in parallel with the Transmission System and the speed governors (if installed on the generating unit pursuant to Good Utility Practice) and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its speed governors and voltage regulators in automatic operation. If the Large Generating Facility's speed governors and voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

9.6.3 Payment for Reactive Power

Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Transmission Provider requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1, provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

9.7 Outages and Interruptions

9.7.1 Outages

9.7.1.1 Outage Authority and Coordination

Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as

necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 Outage Schedules

Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance; Interconnection Customer had modified its schedule of maintenance activities.

9.7.1.3 Outage Restoration

If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.7.2 Interruption of Service

If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery

of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

- 9.7.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;
- 9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System;
- 9.7.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;
- 9.7.2.4 Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider;
- 9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Under-Frequency and Over Frequency Conditions

The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of predetermined magnitudes; both under-frequency and over-frequency deviations shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected

9.7.5 Requirements for Protection

In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the Large Generating Facility.

9.7.6 Power Quality

Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

9.8 Switching and Tagging Rules

Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties

9.9.1 Purpose of Interconnection Facilities

Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Transmission System and shall be used for no other purpose.

to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over frequency conditions, in accordance with Good Utility Practice.

9.7.4 System Protection and Other Control Requirements

9.7.4.1 System Protection Facilities

Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Transmission Provider's Interconnection Facilities or the Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer Interconnection Facilities.

9.7.4.2 Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4 Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.

9.7.4.5 Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice.

9.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.9.2 Third Party Users

If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third-party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

9.10 Disturbance Analysis Data Exchange

The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10 Maintenance

10.1 Transmission Provider Obligations

Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.2 Interconnection Customer Obligations

Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.3 Coordination

The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

10.4 Secondary Systems

Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities.

Article 11 Performance Obligation

11.1 Interconnection Customer Interconnection Facilities

Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

11.2 Transmission Provider's Interconnection Facilities

Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades

Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.

11.4 Transmission Credits

11.4.1 Repayment of Amounts Advanced for Network Upgrades

Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date.

If the Large Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse

Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.

11.4.2 Special Provisions for Affected Systems

Unless Transmission Provider provides, under the LGIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

- 11.4.3 Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Large Generating Facility.

11.5 Provision of Security

At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes.

In addition:

- 11.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

- 11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.
- 11.5.3 The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation

If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.5.1 of this LGIA, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

11.6.1 Interconnection Customer Compensation for Actions during Emergency Condition

Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

Article 12 Invoice

12.1 General

Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice

Within six months after completion of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an Invoice of the final cost of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment

Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.

12.4 Disputes

In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

Article 13 Emergencies

13.1 Definition

"Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System,

Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

13.2 Obligations

Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

13.3 Notice

Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.4 Immediate Action

Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System.

13.5 Transmission Provider Authority

13.5.1 General

Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 Reduction and Disconnection

Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the

Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority

Consistent with Good Utility Practice and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.7 Limited Liability

Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14 Regulatory Requirements and Governing Law

14.1 Regulatory Requirements

Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law

14.2.1 The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

14.2.2 This LGIA is subject to all Applicable Laws and Regulations.

14.2.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

Article 15 Notices

15.1 General

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

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments

Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice

Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16 Force Majeure

16.1 Force Majeure

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17 Default

17.1 Default

17.1.1 General

No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2 Right to Terminate

If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this LGIA.

Article 18 Indemnity, Consequential Damages and Insurance

18.1 Indemnity

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

18.1.1 Indemnified Person

If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 Indemnifying Party

If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

18.1.3 Indemnity Procedures

Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

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

such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

18.2 Consequential Damages

Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

18.3 Insurance

Each party shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

- 18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.
- 18.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability

endorsement, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

- 18.3.3 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.
- 18.3.4 Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.
- 18.3.5 The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.
- 18.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.
- 18.3.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.
- 18.3.8 The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.

18.3.9 Within ten (10) days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

Article 19 Assignment

19.1 Assignment

This LGIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this LGIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that Interconnection Customer shall have the right to assign this LGIA, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured parties, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s), including providing the Transmission Provider with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in

whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

Article 20 Severability

20.1 Severability

If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21 Comparability

21.1 Comparability

The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

Article 22 Confidentiality

22.1 Confidentiality

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

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

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each

Party shall be responsible for the costs associated with affording confidential treatment to its information.

The release of Confidential Information shall be subject to Applicable Laws and Regulations and Applicable Reliability Standards.

22.1.1 Term

During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 Release of Confidential Information

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.1.4 Rights

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5 No Warranties

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 Standard of Care

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

22.1.7 Order of Disclosure

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 Termination of Agreement

Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in

writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9 Remedies

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 Disclosure to FERC, its Staff, or a State

Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or

dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 23 Environmental Releases

- 23.1 Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24 Information Requirements

24.1 Information Acquisition

Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Transmission Provider

The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date;

(2) a description of the activities since the last report; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer

The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation

Prior to the Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall

be conducted and results provided to Transmission Provider for each individual generating unit in a station.

Subsequent to the Operation Date, Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Article 25 Information Access and Audit Rights

25.1 Information Access

Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.

25.2 Reporting of Non-Force Majeure Events

Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.

25.3 Audit Rights

Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the

Transmission System, Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods

25.4.1 Audit Rights Period for Construction-Related Accounts and Records

Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following Transmission Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records

Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results

If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

Article 26 Subcontractors

26.1 General

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

26.2 Responsibility of Principal

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

26.3 No Limitation by Insurance

The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27 Disputes

27.1 Submission

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

27.2 External Arbitration Procedures

Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric

transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

27.3 Arbitration Decisions

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

27.4 Costs

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

Article 28 Representations, Warranties and Covenants

28.1 General

Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing

Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to

carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

28.1.2 Authority

Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 No Conflict

The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets

28.1.4 Consent and Approval

Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

Article 29 Joint Operating Committee

29.1 Joint Operating Committee

Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA.

Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

- 29.1.1 Establish data requirements and operating record requirements.
- 29.1.2 Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.
- 29.1.3 Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.
- 29.1.4 Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.
- 29.1.5 Ensure that information is being provided by each Party regarding equipment availability.
- 29.1.6 Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 30 Miscellaneous

30.1 Binding Effect

This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts

In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation

This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any

person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

30.4 Entire Agreement

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

30.5 No Third Party Beneficiaries

This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

30.6 Waiver

The failure of a Party to this LGIA to insist, on any occasion, upon strict performance of any provision of this LGIA will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by either Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason by

Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider. Any waiver of this LGIA shall, if requested, be provided in writing.

30.7 Headings

The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

30.8 Multiple Counterparts

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

30.9 Amendment

The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.

30.10 Modification by the Parties

The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reservation of Rights

Transmission Provider shall have the right to make a unilateral filing with FERC to modify this LGIA with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership

This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or

partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

IN WITNESS WHEREOF, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

NorthWestern Corporation

By: *Michael R. Cordell*
Title: **Vice President-Transmission**
Date: 6/9/15

Greycliff Wind Prime, LLC

By: *Patrick Pelby*
Title: MANAGER
Date: 6-4-2015

Appendix A to LGIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades

1. Substation Facilities

The following is a detailed summary of the Substation Facilities needed to interconnect the Interconnection Customer project with the NWE system. This summary includes, but is not limited to MVA, voltage, current, BIL level, MCOV and interrupt ratings of equipment as applicable and associated grounding requirements. The general minimum specifications for NorthWestern Energy Transmission and Substation equipment are listed in Appendix A.

1.1 Interconnection Customer Interconnection Facilities

Interconnection Customer Interconnection Substation Facilities will include, but are not limited to, the following items:

- **1.1.1 ACCESS ROAD:** The Greycliff Wind Substation will be a joint interconnection facility. As such, the acquisition of a permanent access road easement, and the routing, design, and construction of the access road to the joint substation will be the responsibility of the Customer. NorthWestern Energy will be granted a permanent easement from the landowner of record for the use of the access road to and from the NorthWestern Energy portion of the joint substation facility. The customer will also be responsible for the costs of any road improvement necessary for site access and construction.

1.2 Transmission Provider Interconnection Facilities

1.2.1 SURVEY:

- The surveying associated with the Greycliff Wind Interconnection Substation 161 kV Line Terminal will be done internally. NorthWestern Energy has a licensed professional surveyor on staff.

1.2.2 FENCE:

- Not applicable.

1.2.3 CONTROL HOUSE:

- Not applicable.

1.2.4 SITE WORK:

- Not applicable.

1.2.5 FOUNDATIONS:

- (3) Standard Column Footing 5'0" x 5'0" pad (Depth 5'-0')
- (8) 161kV ABSW Spread Footings
- NorthWestern Energy will procure, install, and own the Concrete Foundations.

1.2.6 STRUCTURES:

- (2) Vertical Break ABSW Tower Top – 161 kV
- (8) Vertical Break ABSW Heavy Duty Tower Legs (H = 15'-0")
- (3) Structural Duty "S" Tower (H = 10'-0")
- (3) Structural "S" Tower PT Mounting Plate
- NorthWestern Energy will procure, install, and own the Steel Structures.

1.2.7 ELECTRICAL EQUIPMENT:

- (3) 161 kV, Combined CT/VT Revenue Metering Units
- (2) 161 kV, Vertical Break Airbreak Switch w/Insulators
- NorthWestern Energy will procure, install, and own the Electrical Equipment.

1.2.8 BUS WORK:

- (90) Feet – 556 MCM ACSR
- (12) 556 MCM ACSR to 4-Hole Pad Connectors
- NorthWestern Energy will procure, install, and own Bus Work.

1.2.9 CONDUIT:

- (750) Feet – 3" Schedule 40 PVC Conduit
- NorthWestern Energy will procure, install, and own the Conduit.

1.2.10 GROUND MAT:

- The ground mat will be installed to provide proper grounding for all electrical equipment, steel structures, and fence.
- The ground mat is comprised of bare 4/0 copper interior to the switchyard, and bare 1/0 copper as a perimeter ground around the outside of the fence.
- All equipment is bonded to the internal ground mat with 4/0 copper.
- All steel structures are bonded to the internal ground mat with a loop of 1/0 copper.
- The chain link fence including the barbwire is bonded at every fourth fence post to the external perimeter ground mat with 1/0 copper.
- Ground rods will be installed as needed to bring the ground mat resistance to 1 ohm or less.
- All airbreak switches will have a grounded switching platform for operator protection placed under the switch control mechanism.
- NorthWestern Energy will procure, install, and own the ground mat.

1.2.11 ENGINEERING & SUPERVISION:

- The Engineering associated with all additions inside of NorthWestern Energy's property will be done internally, or by a NorthWestern Energy Consultant, and reviewed and approved by a professional engineer licensed in the State of Montana.

1.2.12 CONSTRUCTION:

- The construction of all facilities inside of NorthWestern Energy's property will be done internally or by a NorthWestern Energy Contractor. NorthWestern Energy will provide all supervision of engineering and construction.

1.2.13 OPERATION & MAINTENANCE:

- NorthWestern Energy will be responsible for operating and maintaining all equipment located inside NWE's Greycliff Wind Interconnection 161 kV Substation.

1.3 Network Upgrades

1.3.1 LAND:

- The property associated with the Greycliff Wind Interconnection Substation will be approximately 320' X 290' and will be offset from the existing NorthWestern Energy 161kV transmission line. The customer will be required to provide a permanent access road to the NorthWestern Energy portion of the substation facility. The substation facility with NorthWestern Energy equipment will be owned exclusively by NorthWestern Energy and a Certificate of Survey for the property will be prepared and recorded by NorthWestern Energy along with the permanent access road easement.

1.3.2 SURVEY:

- The surveying associated with the Greycliff Wind Interconnection Substation 161 kV Line Terminal will be done internally. NorthWestern Energy has a licensed professional surveyor on staff.

1.3.3 AIRBREAK SWITCH:

- Not applicable.

1.3.4 FENCE:

- Chain Link Fence (280' X 250') with two 20' Drive Gate
- NorthWestern Energy will procure, install, and own the Chain Link Fence.

1.3.5 CONTROL HOUSE:

- 16' x 24' Control House
- NorthWestern Energy will procure, install, and own the Control House.

1.3.6 SITE WORK:

- Geotechnical Evaluation, Grading Design, Field Inspection work
- Major Site Preparation, Finish Yard Gravel
- (8) Yard Lights
- NorthWestern Energy will procure, install, and own the Yard Lights.

1.3.7 FOUNDATIONS:

- (25) Standard Column Footing 5'0" x 5'0" pad
- (32) 161kV ABSW Spread Footings
- (4) 161-AOD-32D Tower Spread Footing (2 Required/tower)
- (1) Static Pole Foundation
- (1) 161kV SSVT Stand Foundation
- (3) Communications Tower foundations
- (3) 161kV SF6 Power Circuit Breaker Foundation
- NorthWestern Energy will procure, install, and own the Concrete Foundations.

1.3.8 STRUCTURES:

- (2) 161-AOD-32D Dead-end Tower Foundation
- (6) Structural Support S Tower (L=10'0")
- (6) Structural S Tower PT Mounting Plate
- (18) Structural Support S Tower (L=15'0")
- (9) Three Insulator Support Arm (12' Phase Spacing)
- (1) 161 kV Station Service Transformer (SSVT) Steel Stand
- (4) 161 kV Vertical Air Break Switch Tower (L=15'0")
- (4) 161 kV Vertical Air Break Switch Tower (L=18'0")
- (1) Static Pole
- (1) 161 kV Insulator Support Bracket for ABSW Structure
- (5) Cross Bus Spacer
- Installation of the Communications Tower
- NorthWestern Energy will procure, install, and own the Steel Structures.

1.3.9 ELECTRICAL EQUIPMENT:

- (3) 161kV, 1200 Amp, SF6 Power Circuit Breaker
- (7) 161kV, 1200 Amp, Vertical Break ABSW
- (2) 161kV, 1200 Amp, V-Type ABSW
- (6) 161kV Relaying Voltage Transformer
- (1) 161 kV Power Potential Transformer, 100 KVA
- NorthWestern Energy will procure, install, and own the Electrical Equipment.

1.3.10 BUS WORK:

- (6) 161 kV Composite Deadend Insulators
- (38) 161 kV Station Post Insulators
- (38) 3" Pipe Bus Supports for 3" SPS Aluminum to 5" Bolt Circle
- (12) 3" Pipe to 2" Tap Pipe Double WTT2-15-3020
- (24) 3" Pipe to 2" Tap Pipe Double WTT-15-3020
- (500) Feet – 556 MCM ACSR
- (900) 3" Aluminum Pipe SPS 6063-T6 Schedule 40
- (50) ½" x 5" Aluminum Bus Bar
- (48) 556 MCM ACSR to 4 hole pad terminal
- (1) Misc. Wire, Connectors, Expansion Joints, Etc.
- NorthWestern Energy will procure, install, and own the Bus Work

1.3.11 CONDUIT:

- (2500) Feet – 3" Schedule 40 PVC Conduit.
- Trenwa Trench
- NorthWestern Energy will procure, install, and own the Conduit.

1.3.12 GROUND MAT:

- The ground mat will be installed to provide proper grounding for all electrical equipment, steel structures, and fence.
- The ground mat is comprised of bare 4/0 copper interior to the switchyard, and bare 1/0 copper as a perimeter ground around the outside of the fence.
- All equipment is bonded to the internal ground mat with 4/0 copper.
- All steel structures are bonded to the internal ground mat with a loop of 1/0 copper.
- The chain link fence including the barbwire is bonded at every fourth fence post to the external perimeter ground mat with 1/0 copper.
- Ground rods will be installed as needed to bring the ground mat resistance to 1 ohm or less.
- All airbreak switches will have a grounded switching platform for operator protection placed under the switch control mechanism.
- NorthWestern Energy will procure, install, and own the ground mat.

1.3.13 ENGINEERING & SUPERVISION:

- The Engineering associated with all additions inside of NorthWestern Energy's property will be done internally, or by a NorthWestern Energy Consultant, and reviewed and approved by a professional engineer licensed in the State of Montana.

1.3.14 REMOVAL – TRANSMISSION AIR BREAK SWITCHES

- Not applicable.

1.3.15 REMOVAL – CHAIN LINK FENCE

- Not applicable.

1.3.16 CONSTRUCTION:

- The construction of all facilities inside of NorthWestern Energy's property will be done internally or by a NorthWestern Energy Contractor. NorthWestern Energy will provide all supervision of engineering and construction.

1.3.17 OPERATION & MAINTENANCE:

- NorthWestern Energy will be responsible for operating and maintaining all equipment located inside NWE's Greycliff Wind Interconnection 161 kV Substation.

1.4 Distribution Upgrades

- ❖ Not applicable.

2. Metering Facilities

The following is a detailed summary of the Metering Facilities needed to interconnect your project with the NWE system. This summary includes, but is not limited to MVA, voltage, current, BIL level, MCOV and interrupt ratings of equipment as applicable and associated grounding requirements.

2.1 Interconnection Customer Interconnection Facilities

Metering Interconnection Customer Interconnection Facilities will include, but are not limited to, the following items:

2.1.1 Communications:

- The Generation Owners are responsible for supplying two communication channels to the billing meter(s).
 - One channel will be dedicated strictly to EMS "real-time" data
 - The second channel will be internally shared by the Meter Shop and Load Research (MV-90).

2.2 Transmission Provider Interconnection Facilities

2.2.1 METER FORM, VOLTAGE, & CLASS:

- This project will require one Form 95, 120 Volt, billing revenue class watt-hour meter.

2.2.2 METER TYPE/MANUFACTURER:

- ION 8600 multi-function meter or equivalent.

2.2.3 METER COMMUNICATION REQUIREMENTS:

- TELEMETERED DATA:
 - Data from the meter to the control house will be transmitted through a fiber optic cable. The interface between the meter and the fiber and between the fiber and the RTU will be fiber optic "Line Powered" transceivers. These transceivers convert RS232 signals to optical signals and/or optical signals to RS232 signals.
 - NWE will install the fiber optic cable.
 - The contracted construction crew will install two, 2-inch (minimum) Schedule 40 PVC conduits from the control house to the metering enclosure with a pulling tape installed inside the conduits.
 - Two optical transceivers will be required.
 - ◆ Optical transceivers will be supplied by NWE.
 - ◆ Optical transceivers must be "Line Powered"
 - Data transmission from the optical transceivers (located inside the meter enclosure) to all downstream points will be determined by the metering/relay departments of NWE.
 - The RS232 port on the meter is strictly for internal NWE use.
 - MODBUS protocol will be used for "EMS" data transmission on the RS232 port of the revenue meter.
 - Metered metrics extracted from the revenue meter for the "EMS" data stream are limited to:
 - ◆ Delivered & Received MWH, Instantaneous \pm MW, Instantaneous \pm Mvar, Instantaneous Phase "A" Volts & Amps, Instantaneous Phase "B" Volts & Amps and Instantaneous Phase "C" Volts & Amps.

- ◆ Depending upon timing issues the instantaneous amps might not be included in the telemetered data.
- PHONE / BILLING MV-90 / PROGRAMMING COMMUNICATIONS:
 - The revenue meter will be equipped with an Ethernet, RS-232 or internal dial-up phone modem,
 - Appropriate communication conductors will be required to the meter.
 - A communication port controller may be required at the control house.

2.2.4 SPECIAL PROGRAMMING REQUIREMENTS:

- Bi-directional metering will be required at the billing metering point.
- Transformer loss compensation will not be required.

2.2.5 AUXILIARY POWER REQUIREMENTS (METER ONLY):

- DC auxiliary power will be required on the revenue meter.
 - If DC is not available, then AC may be used in conjunction with a backup UPS.
 - The UPS will be installed inside the meter enclosure.

2.2.6 METER LOCATION – PHYSICAL:

- Distance From The CTs:
 - As short as possible. In the event that the total secondary circuit length exceeds fifty feet per phase, greater than # 10 AWG copper will have to be used. Actual size will be dependent upon the circuit length.
- Distance From The PTs:
 - Same requirements as for the CTs.
- Enclosure Requirements:
 - The standard meter enclosure built by NWE will be used at the meter site.
- Mounting Structure:
 - The contracted construction crew will provide a structure that meets the above requirements on which the meter enclosure will be mounted.

2.2.7 METER LOCATION – ELECTRICAL:

- The metering point will be on the high side of the GSU.

2.2.8 METER CONNECTIVITY:

- Cabling Requirements For Instrument Transformers:
 - Current Transformers:
 - Four # 10 AWG or larger, copper conductors.
 - ◆ Actual size dependent upon overall circuit length.
 - Voltage Transformers (PT's):
 - Four # 10 AWG or larger, copper conductors.
 - ◆ Actual size dependent upon overall circuit length.
 - The secondaries of instrument transformers shall be routed to avoid the pick-up of induced voltages from other conductors. A separate conduit must be provided for the metering secondary circuits.
 - The secondary circuits of instrument transformers should never be placed in Tramways, Gutters, or Raceways that contain other current carrying conductors.

- **AUXILIARY DC POWER:** (Auxiliary power for the revenue meter).
 - Two # 12 AWG or larger copper conductors.
- **HEATER AND AC POWER TO THE METER ENCLOSURE:**
 - One three-wire 240-volt circuit of at least # 10 AWG or greater, copper conductors.
- **CABLING REQUIREMENTS FOR TELEMETERED DATA, MODEM, KYZ, EOI & OTHER:**
 - Phone Modem:
 - Two #24 AWG or larger, twisted pairs - one pair to be designated as "spare".
 - Standard Cat 5 cabling works well.
 - Optical Transceiver Requirements:
 - Two fiber cables - One to be designated as a "spare".
 - Optional pulse output cabling for KYZ, EOI or other: IF REQUIRED
 - Sixteen #18 AWG or greater stranded copper conductors - eight to be designated as "spares". Conductors must have a minimum insulation rating of at least 120 Vac.
- **CONDUIT REQUIREMENTS TO METER ENCLOSURE:**
 - Two "2 inch (minimum)" conduits from the control house to the "bottom" side of the meter enclosure.
 - Conduits shall never enter the "top" of the meter enclosure.
 - One "1 inch" conduit from the metering CT's to the "bottom" side of the meter enclosure.
 - Conduits shall never enter the "top" of the meter enclosure.
 - One "1 inch" conduit from the metering PT's to the "bottom" side of the meter enclosure.
 - Conduit shall never enter the "top" of the meter enclosure.
 - All conduit connectors and fittings must maintain the NEMA-3R rating of the enclosure.

2.2.9 METER TESTING:

- The revenue meter will be fully tested prior to installation and will be re-certified for accuracy on a periodic basis as defined in the contract.

2.2.10 INSTRUMENT TRANSFORMER REQUIREMENTS:

- Voltage Transformers (PTs/VTs):
 - Manufacturer & Type:
 - Unspecified at this time.
 - The metering VTs/PTs should be of sufficient ratio to supply 115 VAC to the potential metering circuits inside the watt-hour meter.
 - A secondary winding dedicated to revenue metering only.
 - Accuracy class to be $\pm 0.15\%$ at all typical PT "Standard Burdens".
 - If $\pm 0.15\%$ potential transformers are available they must be used; if not available then $\pm 0.3\%$ may be used but NWE must be notified prior to their purchase.
 - A "Thermal" rating of at least 1000 VA (minimum)
 - 2000 VA is the preferred thermal rating.
 - The BIL to be determined by substation design.

➤ **CURRENT TRANSFORMERS (CTs):**

- Manufacturer & type:
 - Unspecified at this time.
- The CTs must be of sufficient ratio to supply at least 5 amps of secondary current to the metering elements when generation is operating at its normal capacity.
- Accuracy class to be $\pm 0.15\%$ through a burden rating of 1.8 Ω or higher. These CTs must remain within $\pm 0.15\%$ from 1% (or less) rated current to their RF limits.
- If $\pm 0.15\%$ CTs are not available at "burden rating" of 1.8 ohms, then CTs with a "burden" rating of 0.9 ohms may be used upon approval of NWE.
- Approval will depend upon the length of the secondary CT leads.
- During periods of reverse flow, when the plant is receiving power from NWE's grid, the current passing through the current transformers will be minimal. It is therefore imperative that the most accurate instrument transformers are installed. If $\pm 0.15\%$ "Extended Range" Current Transformers are available they must be used.
- The BIL to be determined by substation design.

➤ **INSTRUMENT TRANSFORMER TESTING:**

- All instrument transformers will be fully tested at NWE's G.O. meter-shop prior to installation.
 - If preferred, NWE can test the instrument transformers "On Site" using NWE's "Mobile Metering Lab" (MML). The equipment cost for the MML is \$380.00/hr and does not include labor or other (Non-MML) equipment. This testing normally requires a four-man crew and a bucket truck. If the instruments transformers are not connected and sitting on the ground then testing may only require a two man crew and a ladder.
- All instrument transformers will be tested "On Site" at six-year intervals.
- Further Considerations - Instrument Transformer Testing – Installation of bypasses.
 - It may be prudent to design and install operational bypasses on all instrument transformers.
 - "On-Site" instrument transformer testing using NorthWestern's MML will be required at six year intervals. Prior to testing, all instrument transformers must be isolated and disconnected from the circuit with the appropriate clearances taken. If circuit bypasses are not installed, shutdowns may be required that could result in lost revenue. The average "shut down" is approximately six hours.

2.2.11 METERING COSTS:

- The estimated cost for metering this installation from the secondary taps on the instrument transformers to the output of the optical transceiver located inside the control house is approximately \$14,097. This would include the meter, enclosure, transceivers, cable/wire/fiber and labor to install.
 - This estimate does NOT include:
 - The cost of the instrument transformers or their installation.
 - The installation of underground conduits and other related hardware for the control, secondary, heating, and auxiliary circuits.

2.2.12 METERING INSTALLATION TIME TABLE:

- Order And Receipt Of The Revenue Meter:
 - Allow seventeen weeks from the time NWE places the meter order with the factory to its arrival at NWE's meter-shop.
 - Allow two weeks from the arrival of the revenue meter at NWE's meter shop to the completion of all meter testing.
- Metering Enclosure:
 - Allow seventeen weeks for the construction of the metering enclosure. This time is necessary to order and receive all the necessary components of the enclosure. Actual construction can be done in two working days.
- Transceivers, MSU and miscellaneous metering communication equipment:
 - Allow eight weeks from order date to their receipt.
- After the site preparation has been completed, allow four working days for meter installation.
 - Installation includes:
 - Mounting and wiring of the metering enclosure.
 - Connecting and testing all the control, communication, heating, auxiliary and secondary circuits.
 - Programming and commissioning the revenue meter, instrument transformers and associated secondary wiring.

2.2.13 SITE PREPARATION:

- The installation of the instrument transformers and all conduits for control cables and secondary circuits must be installed prior to the installation of the meter enclosure and meter.
- All control cables, fiber, heating circuits, auxiliary circuits, and secondary circuits must be properly installed prior to the installation of the meter enclosure and meter.

2.2.14 OWNERSHIP & RESPONSIBILITIES:

- NorthWestern Energy will be responsible for the purchase and delivery of the instrument transformers to the meter-shop for testing and then for their transportation to the metering site.
 - The Generation Owners will pay for the cost of the instrument transformers and their installation.
 - Nothing other than the billing meter will be connected to the secondary windings dedicated to the revenue metering.
- NorthWestern Energy will retain ownership of all instrument transformers.
 - NorthWestern Energy will own, operate, and maintain all metering hardware from the Primary terminals of the instrument transformers.
- The cost of the metering hardware and its installation, including but not limited to the meters, instrument transformers, enclosures, communication devices, and wiring will be the responsibility of Generation Owners.

2.3 Network Upgrades

- ❖ Not Applicable.

2.4 Distribution Upgrades

- ❖ Not Applicable.

3. Relaying Facilities

The following is a detailed summary of the Relaying facilities needed to interconnect Interconnection Customer with the NWE system. NWE reserves the right to modify its design at the time of construction or adjust for conditions that have changed or were unknown at the time of this facilities study.

3.1 Interconnection Customer Interconnection Facilities

Interconnection Customer Interconnection Relaying Facilities will include, but are not limited to, the following items:

3.1.1 Synchronizing

Interconnection Customer is responsible for synchronizing onto NWE's system.

3.1.2 Coordination of Protection

Interconnection Customer shall coordinate protective relay settings with NWE.

3.1.3 Inspection requirements for existing or new facilities

Facilities classified as Bulk Electric System are to meet NERC/WECC requirements for inspection and maintenance.

3.1.4 System Protection and 100KV Circuit Breaker Status

❖ Bus Relaying Required

- Interconnection Customer shall provide one set of dedicated 1200/5 ampere C800 multi-ratio bushing current transformers (MRBCT) from the high side of their generator step up (GSU) transformer to be connected into NWE's 161KV bus differential.

❖ Interconnection Customer Tie Power Circuit Breaker(PCB)

- Interconnection Customer shall provide an auxiliary 'a' switch from their GSU transformer low side tie breaker for indication to NWE's Tie Point RTU.
- Interconnection Customer shall receive a trip and lockout from NWE's 161KV bus differential to trip and lockout their GSU transformer low side tie breaker.

❖ Substation Conduit

- Interconnect Customer shall provide three 3 inch schedule 40 PVC conduits from the Interconnection Customer substation into NWE's Switchyard for connection into NWE's control house.

3.2 Transmission Provider Interconnection Facilities

3.2.1 NWE Substation

Protective Relaying

- 161KV Bus Differential
 - An SEL 387 bus differential relay panel will protect the substation 161KV bus to the high side of the Interconnection Customer's GSU transformer.

Tie Point Remote Terminal Unit(RTU)

- This RTU will be located in NWE's Switchyard control house.
- NWE will install and own this RTU.
 - Metering from NWE's interconnection meter will input into this RTU in addition to an auxiliary 'a' switch from the Interconnection Customer's GSU low side tie breaker.

Power Quality Monitor

- A SEL735 power quality meter will be installed to monitor the 161KV potential and phase currents associated with service to the Interconnection Customer.

Voltage Transformer (VT) Junction Box

- A VT junction box will be installed for the metering set.

Control Conduit/ Cable

- Conduit and control cable will be installed from NWE's control house to
 - NWE meter
 - Meter VT junction box
 - Interconnection Customer substation control house(three 3 inch schedule 40 PVC).
NWE will provide and pull in the cable as required.

Other

Not applicable.

3.3 Network Upgrades

3.3.1 NWE Switchyard

Protective Relaying

- The 161KV Line to Big Timber Auto and Lower Duck Substations will be protected by dual primary line relays consisting of a SEL 311L three terminal line relay panel utilizing C37.94 multimode fibers into a multiplexor and a SEL 311C POTT panel utilizing a mirrored bit RS232 multiplex channel.

- The 161KV Line to Columbus Rapelje Substation will be protected by dual primary line relays consisting of a SEL 311L line relay panel utilizing C37.94 multimode fiber into a multiplexor and a SEL 311C POTT panel utilizing a mirrored bit RS-232 multiplex channel.

Supervisory Control and Data Acquisition(SCADA)

- A SCADA RTU will be installed in NWE's Switchyard control house.
 - It will control and have open/close status indication of NWE's 161KV breakers.
 - It will gather line telemetry data from the 161KV lines and the SEL 735 power quality monitor via an SEL 3530 RTAC.
 - Substation digital alarms will be reported in the RTU via a 32 point LED 'a' input termination panel.
 - The RTU will be timed via a global positioning satellite(GPS) receiver.

Control House

A 16' X 24' building will be designed, constructed and built by NorthWestern Energy.

Voltage Transformer Junction Box

- Two VT junction boxes will be installed. One for each of the line side VTs on the two 161KV lines.

Conduit/ Control Cable

- Conduit and control cable will be installed from NWE's control house to
 - Three PCBs
 - Two VT junction boxes
 - Station Service Voltage Transformer(SSVT)

3.3.2 Lower Duck Creek Substation Relay Upgrade

❖ Protective Relaying

- The 161KV Big Timber Auto line relaying existing SEL 311L relay will be left as is but the SEL 221F relay will be upgraded to a SEL 311C POTT panel.

3.3.3 Columbus Rapelje Substation Relay Upgrade

❖ Protective Relaying

- Install a new cubicle for the 161KV Greycliff line with dual primary line relays consisting of a SEL 311L line relay panel utilizing C37.94 multimode fiber into a multiplexor and a SEL 311C POTT panel utilizing a mirrored bit RS-232 multiplex channel.

3.4 Distribution Upgrades

- ❖ Not Applicable.

4. Transmission Line Facilities

The following is a detailed summary of the Transmission line Facilities needed to interconnect the project with the NWE system.

4.1 Interconnection Customer Facilities

- ❖ Not Applicable.

4.2 Transmission Provider Interconnection Facilities

- ❖ Not Applicable.

4.3 Network Upgrades

- NorthWestern Energy will construct a 161 kV interconnection point in the Big Timber Auto Substation to Columbus-Rapelje Auto Substation Transmission Line to allow interconnection of the Greycliff Wind Project.

The associated project requirements to permit the interconnection construction within the referenced line include, but are not limited to, the following listed items.

4.3.1 Assumptions:

- For the purpose of this electric transmission line study and estimate, it is assumed that the 33 mile 161 kV line segment between the Big Timber Auto Substation and the Columbus-Rapelje Auto Substation can be taken out of service as necessary during installation of all new transmission facilities related to the Greycliff Wind interconnection Project. It also assumes the Greycliff Wind interconnection substation will be offset from the centerline of the 161 kV line.
- The transmission line estimate does not include replacement of conductor between Big Timber Auto and Columbus-Rapelje Auto.
- The transmission estimate does not include communication facilities that may be necessary for the Greycliff Wind interconnection.
- The transmission estimate for structure mitigation only includes structures within one span, east and west, of the interconnection point. A detailed analysis, not completed at this time, will be necessary in order to determine if additional structural enhancement/replacement is necessary in order to support the Greycliff Wind interconnection point.
- The transmission estimate does not include any permitting or ROW costs.

4.3.2 Work Plan

- ❖ Land

Refer to the Substation and Lands & Permitting Department sections of the Facility Study.

- ❖ Right of Way

The Transmission facilities estimated for the Greycliff Wind interconnection assume that the interconnection substation will be build adjacent to the existing transmission line centerline and right of way. Final placement of the substation adjacent to the existing transmission line easement will determine whether additional ROW is required for the 161 kV tap lines (loop) into the Greycliff Wind Substation.

- ❖ Survey

NWE internal survey crews will be used to stake new transmission facilities required for the Greycliff Wind Interconnection Project.

❖ **Design of Transmission Facilities**

NWE staff or an assigned engineering consultant will complete structure assessment and design of the new transmission facilities required for the Greycliff Wind Interconnection Project.

❖ **Construction of Transmission Facilities**

NWE in-house crews or contract line crews defined by NWE will complete construction of the new transmission facilities required for the Greycliff Wind Interconnection Project.

❖ **Transmission Line Ownership**

NWE will maintain ownership of all existing and new 161 kV transmission line facilities required for the Greycliff Wind Interconnection Project.

4.3.3 Transmission Line Design and Conductor Objectives

❖ **Structure framing and material descriptions**

- The Greycliff Wind project will require installation of two three-pole angle double-dead-end 161 kV structures for the taps into the new substation off the existing 161 kV centerline, and replacement of two 161 kV two-pole H-frame tangent structures adjacent to the Greycliff Wind Substation site.
- NWE Transmission Standards for 161 kV structure framing will be used, along with western red cedar poles, for all new structure installation.
- The existing 556.5 MCM ACSR conductor on the Big Timber Auto to Columbus-Rapelje 161 kV transmission line through the Greycliff Wind project site will be left in place. The 161 kV tap (loop) lines into the Greycliff Wind substation will also utilize 556.5 MCM ACSR conductor.
- The existing 3/8" HS shield wires on the Big Timber Auto to Columbus-Rapelje 161 kV transmission line through the Greycliff Wind project site will be left in place. The 161 kV tap (loop) lines into the Greycliff Wind substation will utilize 3/8" EHS shield wires for lightning protection.
- Additional structural upgrade may be needed at locations immediately adjacent to the project site due to final substation location, however, except as identified here, no other upgrade or mitigation has been defined or estimated at this time.

❖ **Material Procurement**

NWE will procure all material necessary for new and replacement facilities defined as NWE ownership.

❖ **Cost Estimate**

Reference the Transmission Network Facilities detailed cost estimate spreadsheet for the transmission line tap point installed cost estimate.

❖ **Transmission Facility Time Line**

The lead-time necessary for survey, design, material procurement, delivery and installation of the 161 kV transmission facilities is approximately 20 weeks.

4.4 Distribution Upgrades

- ❖ None

5. Communications Facilities

The following is a detailed summary of the Communications Facilities needed to interconnect your project with the NWE system. This summary includes, but is not limited to the listed items. When conditions require a higher degree of reliable telecommunications as determined by NWE, means such as alternate geographically diverse telecommunications routes may be utilized.

5.1 Interconnection Customer Interconnection Facilities

The Interconnection Customer is responsible for providing telecommunications circuits to NWE to enable the operation and metering of the interconnection point. Three circuits are required:

- ❖ Provided the Interconnection Customer is not a Balancing Authority, a voice circuit from the Grey Cliff Wind control point to the NWE SOCC. This circuit can be an automatic ring-down or preprogrammed speed dial via the Public Switched Telephone Network as determined by NWE.
- ❖ A data circuit from Tie Point RTU in the Grey Cliff Wind switchyard to the NWE SOCC, and
- ❖ A data circuit from billing watt/hour meters in the Grey Cliff Wind switchyard to the NWE Load Research department.

At the customer's request these circuits can be provided by NWE (see Appendix G for sample Service Contracts) when NWE has telecommunications facilities available. NWE will charge a monthly fee to provide this service.

The Interconnection Customer can also provide the circuits through a telecommunications provider. In this case the Interconnection Customer is responsible for the High Voltage Protection equipment required for isolating the substation from the provider's circuit.

5.2 Transmission Provider Interconnection Facilities

- ❖ **Not Applicable.**

5.3 Network Upgrades

Northwestern Energy will install telecommunications equipment that will provide Protective Relaying circuits between Grey Cliff Wind substation, Big Timber Auto Substation, Lower Duck Substation, and Columbus Rapelje Substation. Ethernet networks will be connected into the substations for control, operation, and monitoring of the substation devices.

❖ **TERMINAL EQUIPMENT**

Multiplex equipment will be purchased and installed to interface to the Protective Relaying equipment. Ethernet routers will be installed to connect substation devices to the networks for control and configuration.

❖ **MICROWAVE OR FIBER EQUIPMENT**

Northwestern Energy will purchase and install a licensed microwave path between the Grey Cliff Wind substation and the existing NWE Grey Cliff Microwave site. Existing microwave paths between the NWE Big Timber Auto Substation and Grey Cliff Microwave, and Lower Duck Creek Substation and Grey Cliff Microwave will be upgraded to higher capacity to operate and control the added protective relaying circuits and Ethernet networks. Existing NWE telecommunications equipment will be utilized to connect protective relaying circuits to the Columbus Rapelje substation.

5.4 Distribution Upgrades

- ❖ **Not Applicable.**

6. Energy Management System (EMS) Facilities

The following is a detailed summary of the Energy Management System Facilities needed to interconnect the Interconnection Customer with the NWE system.

6.1 Interconnection Customer Interconnection Facilities

Energy Management System Interconnection Customer Interconnection Facilities will include, but are not limited to, the following items:

6.1.1 Energy Management System Databases

The status of the generator synchronizing breaker(s) will be telemetered into the EMS (Energy Management System). This device (or devices) will need to be modeled in the EMS SCADA (Supervisory Control and Data Acquisition) and Networking databases.

6.1.2 Energy Management System Displays

Online displays will be modified as well as the mapboard in the NorthWestern Energy System Operation Control Center control room to show the indication of the generator synchronizing breaker(s). An LED will be defined for each breaker so that the open versus closed state can be shown on the mapboard.

6.1.3 Tie Point Remote Terminal Unit (RTU) Database

The EMS personnel are responsible for adding the indication of the generator synchronizing breaker(s) to the database for the Generation Tie Point RTU. This is the same Tie Point RTU that is discussed in more detail in the Transmission Provider Interconnections Facilities section.

6.2 Transmission Provider Interconnection Facilities

6.2.1 Energy Management System Databases to Support the Intertie

The EMS (Energy Management System) personnel will need to model the actual generator plant (Multiple wind turbines will be considered as one plant.) in the EMS Generation Database and in the Dispatcher Training Simulator. Several values and status points will be modeled in the EMS SCADA (Supervisory Control and Data Acquisition) and Networking databases. These values include metering quantities and several monitoring quantities as well as status points. The values and monitoring points will be transmitted from the Tie Point RTU (Remote Terminal Unit) to the EMS SCADA over a communication circuit to be provided by the Generator (Interconnection Customer). Metering quantities include but are not limited to three phase currents, three phase voltages, instantaneous bi-directional megawatts, instantaneous bi-directional megavars, hourly megawatts delivered, hourly megawatts received, and power factor.

6.2.2 Energy Management System Displays

Online and Generation displays will be modified as well as the mapboard in the NorthWestern Energy System Operation Control Center control room. The displays will show the Generator and the Generator interconnect breaker(s) as well as metering values.

6.2.3 Tie Point Remote Terminal Unit (RTU) Database

The EMS personnel are responsible for modeling the database for the Generation Tie Point RTU. The database may include some alarm points defined by the NorthWestern Energy Protective Relay Department as well as all of the metering quantities as listed in the EMS Databases to Support the Intertie section above. Calculations are defined in the database to 1) convert metering secondary quantities to the primary quantities expected in the Control Center and 2) "freeze" and calculate megawatt hourly calculations carrying forward partial megawatt hours and considering roll-overs.

6.2.4 OATI Scheduling System

The EMS personnel are responsible for making any necessary updates in the interface to the Scheduling System to include the hourly metering values associated with the Generator (or the Balancing Authority boundary in the case of a separate Balancing Authority for the Generator). These values are passed from the SCADA system to the Scheduling System at least hourly. The Scheduling System provides the information used in the accounting of the energy transactions.

6.2.5 Historical Databases

The OSIsoft PI (Plant Information) database will be modified so that the metering values for the generation (or Balancing Authority boundary) will be stored historically.

6.3 Network Upgrades

6.3.1 Energy Management System Generation Software Licensing

The EMS (Energy Management System) personnel will need to model the 25 megawatts of generation in the EMS Generation database. This will incur one-time licensing fees from the EMS software vendor, Alstom Grid.

6.3.2 Energy Management System Databases to Support the Transmission Operations

The EMS personnel will need to model the physical transmission devices for the NorthWestern Energy Substation at the point of interconnection in the EMS SCADA (Supervisory Control and Data Acquisition) and Networking databases. These devices generally include but are not limited to circuit breakers, air break switches, disconnects, PT's, and the like. The associated alarms will also be modeled in the SCADA database. The alarms are generally defined by the NorthWestern Energy Protective Relay Department and include items such as relay watchdogs, relay operations, SF-6 monitors, loss of potential, and other various relay alarms. Line analog values including but not limited to three phase current reads, megawatt reads, megavar reads, kilovolt reads and fault location values will be added to the associated database. Controls on devices such as the circuit breaker will be added to the SCADA database. These controls should include trip, test close, and normal close controls.

Licensing costs for the values and status points to be added (from this section and the Energy Management System Databases to Support the Intertie section) to the EMS SCADA database will be incurred.

6.3.3 Energy Management System Displays

Displays will be modified as well as the mapboard in the NorthWestern Energy System Operation Control Center control room. LED's will be assigned to the transmission devices such as circuit breakers, disconnects, and air break switches.

6.3.4 Remote Terminal Unit (RTU) Database

The EMS personnel are responsible for creating the database for the SCADA RTU for the NorthWestern Energy Substation at the point of interconnection. Most of the database is defined by the NorthWestern Energy Protective Relay Department. The NorthWestern Energy Telecommunications Department will specify the connection between the RTU and the NorthWestern Energy's System Operation Control Center in Butte, Montana.

6.3.5 Inter-Control Center Communications Protocol (ICCP) Databases

The Open Access Gateway Model database will be modified so that other neighboring utility entities such as WECC (Western Electricity Coordinating Council) Regional Coordinator can "see" this information via the ICCP protocol.

6.3.6 Historical Databases

The OSIsoft PI (Plant Information) database will be modified so that the line analog values will be stored historically.

6.4 Distribution Upgrades

No Distribution Upgrades were identified for the Energy Management System facilities.

7. Lands & Permitting

NorthWestern Energy will construct a new substation (approximate 3 acres in size) and a segment of transmission line (+/- 2000' long x 50' wide) that will allow Greycliff Wind Prime 172 & 202 to connect to the POI. The estimate assumes the transmission will be constructed on project land and that NWE is able to secure the necessary easement(s) at a fair market value.

7.1 Substation Site

The estimate assumes NWE's new substation site will be located on project lands and can readily be transferred to NWE as a fee interest at no cost to NWE or at a market rate for the lands current use which is assumed to be agricultural. The estimate also assumes that the developer will obtain an access easement for the substation on behalf of NWE at no cost.

7.2 Linear Permitting

The existing route does not include significant state, federal or other lands that will require extensive linear permitting efforts.

7.3 Environmental Permitting

The project will comply with all federal and state environmental requirements. The estimate provided assumes typical environmental permitting issues.

7.4 Other Assumptions

This estimate assumes there are no building, zoning, or permitting requirements that would impact the project.

Cost Summary

Transmission Provider Interconnection Facilities

Substation	\$277,351
Metering	\$14,097
Relaying	\$103,447
Transmission Line	\$0
EMS	\$6,806
Communications ¹	\$0
SUBTOTAL	\$401,701

Network Upgrades

Substation	\$2,560,382
Real Estate	\$46,557
Metering	\$0
Relaying	\$403,324
Transmission Line	\$209,972
EMS	\$8,995
Communications ¹	\$336,725
SUBTOTAL	\$3,565,955

1. The Customer will be responsible for providing the following communications:
 - a. Telephone circuit to meter
 - b. Data channel to NWE SOCC center
 - c. Ring down circuit to the generation control center

Total Cost

Transmission Provider Interconnection	\$401,701
Network Upgrades	\$3,565,955
TOTAL	\$3,967,656

Costs are in 2015 dollar values and are subject to change due to inflation costs. The Interconnection Project will pay all actual charges required for the interconnection of the Project.

Appendix B to LGIA

Milestones

Within 15 business days from receipt of final LGIA Interconnection Customer shall provide one of the following:

- (A) reasonable evidence that continued Site Control or
- (B) posting of \$250,000 non -refundable additional security, which shall be applied toward future construction costs. Interconnection Customer also shall provide reasonable evidence that one or more of the following milestones in the development of the Large Generating Facility, at Interconnection Customer election, has been achieved:
 - (i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility;
 - (ii) the execution of a contract for the supply of cooling water to the Large Generating Facility;
 - (iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility;
 - (iv) execution of a contract for the sale of electric energy or capacity from the Large Generation Facility; or
 - (v) application for an air, water, or land use permit.

The Interconnection Customer and the Transmission Provider must mutually agree to the following dates that will be included in the final LGIA.

Date by which the Interconnection Customer will provide security to the Transmission Provider in accordance with Article 11.5: **6/15/2015** (At least 30 Calendar days prior to commencement of the procurement, installation, or construction.)

Date by which Transmission Provider will receive written authorization from the Interconnection Customer to proceed with design and procurement: **7/15/2015**

Date by which Transmission Provider will receive written authorization from the Interconnection Customer to proceed with construction: **8/15/2015**

Transmission Provider's Interconnection Facilities In-Service Date: **10/15/2016**

Transmission Provider's Network Upgrades In-Service Date: **10/15/2016**

Interconnection Customer's Interconnection Facilities In-Service Date: **10/15/2016**

Initial Synchronization Date: **11/1/2016**

Commercial Operation Date: **11/15/2016**

Construction Option Selected by Interconnection Customer:

- Standard Option
- Alternate Option

Appendix C to LGIA

Interconnection Details

- **Project Name** – GreyCliff Wind Prime, LLC
- **Size (Rating)** – 25 MW (Output not to exceed 25.0 MW)
- **Generator Type** – Thirteen GE 2.0 MW Turbines
- **Interconnection Type** – Wind
- **Location** – Approximately 14 miles east of Big Timber
- **Facilities** – 161 kV transmission line between Big Timber Auto and Columbus-Rapelje
- **Power Factor** – The generator is assumed to have operational characteristics either through internal or external capabilities to operate throughout a power factor range of 0.95 leading to 0.95 lagging at the generator terminals.
- **Point of Change of Ownership** – The Point of Change of Ownership between NorthWestern Energy's transmission system and the Interconnection Customer Interconnection Facilities is the point where the Interconnection Customer's 161 kV meets the NWE bus connecting to the NWE air break switch and metering set.
- **Point of Interconnection** – The Point of Interconnection is the point where the new Interconnection Substation taps the Big Timber Auto to Columbus-Rapelje Auto 161 kV transmission line segment approximately 12 circuit miles from Columbus-Rapelje.

Standard Operational Requirements

a) **Reliability Standards**

"Applicable Reliability Standards," as defined in Article 1 of the LGIA, include the requirements and guidelines of the Applicable Reliability Council. For NorthWestern Energy's Montana transmission system, this includes the regional reliability standards promulgated by the Western Electricity Coordinating Council (WECC), such as WECC's Automatic Voltage Regulators (AVR) standard.

b) **Notice of Change in Generation Level**

Whenever the net generation changes due to a mechanical event or equipment failure by an amount greater than or equal to 5 megawatts within the scheduling hour, the Interconnection Customer must notify NorthWestern Energy's transmission operator immediately. Interconnection Customer must provide such notice for both planned and unplanned changes in generation levels. The required notice may be given by electronic communication (such as email) or by telephone.

NorthWestern Energy Transmission Operator, Phone: 406-497-4252.

c) Notice of Change of Generation On-Line/Off-Line Status

Interconnection Customer must notify NorthWestern Energy's transmission operator at the phone number provided above as to when the generation is going off-line and as to when the generation will be coming on-line. Interconnection Customer must also provide reasons for either event. At least 48 hours' advance notice is required for planned events. For unplanned events, Interconnection Customer must provide notice as soon as possible.

d) Voltage and Frequency Response

Each Interconnected Unit shall be capable, at all times (including during an Electric Disturbance), of continuous operation at 0.95 to 1.05 per unit (pu) voltage of nominal voltage, as measured at the Point of Interconnection, and shall be kept online and in operation during frequency deviations beyond the range of 59.5 to 60.5 Hz to the extent required by the Applicable Reliability Standards.

e) Reactive Power

In addition to the requirements in Section 9.6.1, Power Factor Design Criteria, each Interconnected Unit shall produce or absorb Reactive Power, as measured at its generator terminals, between 0.90 leading and 0.90 lagging power factor for steady state conditions to meet voltage schedules specified by NorthWestern Energy. Each Interconnected Unit also shall produce or absorb Reactive Power up to the temporary overload capability of the Interconnected Unit during Electric Disturbances. An Interconnected Unit may satisfy its Reactive Power and voltage requirements either by its operation or by using separate devices. The requirements of this paragraph do not apply to wind generators.

f) Disconnection, Switching, and Clearance Procedures

Whenever disconnecting an Interconnected Unit from NorthWestern Energy's Electric System, the Interconnection Customer shall perform such disconnection in accordance with Good Utility Practice and in compliance with NorthWestern Energy's transmission facility clearance procedures, as may be amended, reasonably and without discrimination to the Interconnection Customer, by NorthWestern Energy in its sole discretion from time to time. To switch on the NorthWestern Energy Transmission System, all personnel must be on the NorthWestern Energy Certified Switch Person list. If NorthWestern Energy amends its transmission facility clearance procedures, it will notify the Interconnection Customer as soon as practicable thereafter, and provide to the Interconnection Customer a copy of the new procedures.

Appendix D to LGIA

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect all Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

Appendix E to LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

[Date]

Northwestern Corporation
40 East Broadway
Butte, MT 59701

Re: Greycliff Wind Prime's Large Generating Facility

Dear Ms. Mueller:

On [Date] [Interconnection Customer] has completed Trial Operation of Unit No. _____. This letter confirms that [Interconnection Customer] commenced Commercial Operation of Unit No. _____ at the Large Generating Facility, effective as of [Date plus one day].

Thank you.

[Signature]

[Interconnection Customer Representative]

Appendix F to LGIA

Addresses for Delivery of Notices and Billings

Notices:

Transmission Provider:

NorthWestern Energy

Attention: Coordinator Generation and Transmission Interconnection

Address: 40 East Broadway

City: Butte State: Montana Zip: 59701

Phone: (406) 497-3174 Fax: (406) 497-3002

Interconnection Customer:

Greycliff Wind Prime, LLC

Attention: Patrick Pelstring, President & CEO

c/o National Renewable Solutions, LLC

Address: 328 Barry Avenue South, Suite 100

City: Wayzata State: MN Zip: 55391

Phone: (952) 473-7500 Fax: (952) 473-7507

Billings and Payments:

Transmission Provider:

NorthWestern Energy

Attention: Coordinator Generation and Transmission Interconnection

Address: 40 East Broadway

City: Butte State: Montana Zip: 59701

Phone: (406) 497-3174 Fax: (406) 497-3002

Interconnection Customer:

Greycliff Wind Prime, LLC

Attention: Patrick Pelstring, President & CEO

c/o National Renewable Solutions, LLC

Address: 328 Barry Avenue South, Suite 100

City: Wayzata State: MN Zip: 55391

Phone: (952) 473-7500 Fax: (952) 473-7507

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

Transmission Provider:

NorthWestern Energy

Attention: Coordinator Generation and Transmission Interconnection

Phone: 406-497-3174

Fax: 406-497-3002

Email: autumn.mueller@northwestern.com

Interconnection Customer:

Greycliff Wind Prime, LLC

Attention: Patrick Pelstring, President & CEO

c/o National Renewable Solutions, LLC

Phone: (952) 473-7500

Fax: (952) 473-7507

Email: ppelstring@natrs.com

Appendix G to LGIA

Interconnection Requirements for a Wind Generating Plant

Appendix G sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and a post-transition period standard.

Transition Period LVRT Standard

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 - 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or "GSU"), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.
5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

Post-transition Period LVRT Standard

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 - 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.
5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment.

Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

A wind generating plant shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, if the Transmission Provider's System Impact Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Impact Study shows this to be required for system safety or reliability.

iii. Supervisory Control and Data Acquisition (SCADA) Capability

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.