

STANDARD GENERATOR INTERCONNECTION AGREEMENT

between

INTERMOUNTAIN POWER AGENCY

and

[INTERCONNECTION CUSTOMER]

TABLE OF CONTENTS

	<u>Page</u>
Article 1. DEFINITIONS.....	1
Article 2. EFFECTIVE DATE, TERM AND TERMINATION	6
2.1 Effective Date	6
2.2 Term of Agreement	6
2.3 Termination Procedures.....	6
2.3.1 Written Notice	6
2.3.2 Interconnection Customer Abandonment.....	6
2.3.3 IPA Abandonment	7
2.3.4 Default	7
2.3.5 Other Provisions	7
2.4 Termination Costs	7
2.4.1 Facilities Not Completed	7
2.4.2 Cancellation Costs	7
2.4.3 Removal Costs.....	7
2.5 Disconnection	7
2.6 Survival.....	8
Article 3. REGULATORY FILINGS	8
3.1 Filing.....	8
Article 4. SCOPE OF SERVICE	8
4.1 Interconnection Service	8
4.2 Provision of Service	8
4.3 Performance Standards	8
Article 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT AND CONSTRUCTION.....	9
5.1 IPA Standards	9
5.2 Engineering and Procurement	9
5.3 Construction Commencement	9
5.4 Facility Specifications	9
5.5 IPA’s Review.....	9
5.6 Construction of Facilities.....	10
5.7 Work Progress	10
5.8 Information Exchange	10
5.9 Limited Operation	10
5.10 Access Rights	11
5.10.1 Interconnection Customer.....	11
5.10.2 IPA.....	11
5.10.3 Interference and Safety	11
5.11 Permits	11
5.12 Suspension.....	11
5.13 Modification	12
5.13.1 General.....	12
5.13.2 Future Interconnections	12

5.13.3	Standards	12
5.13.4	Modification Costs	12
5.14	Bond Financing	12
Article 6.	TESTING AND INSPECTION	13
6.1	Pre-Commercial Operation Date Testing and Modifications	13
6.2	Post-Commercial Operation Date Testing and Modifications.....	13
6.3	Right to Observe Testing	13
6.4	Right to Inspect.....	13
Article 7.	METERING.....	13
7.1	General	13
7.2	Check Meters.....	14
7.3	Standards	14
7.4	Testing of Metering Equipment.....	14
7.5	Metering Data.....	14
Article 8.	COMMUNICATIONS	14
8.1	Interconnection Customer Obligations	14
8.2	Remote Terminal Unit.....	15
8.3	No Annexation.....	15
Article 9.	OPERATIONS.....	15
9.1	General	15
9.2	IPA Obligations	15
9.3	Interconnection Customer Obligations.....	15
9.4	Start-Up and Synchronization	16
9.5	Reactive Power	16
9.5.1	Power Factor Design Criteria	16
9.5.2	Voltage Schedules	16
9.5.3	Governors and Regulators	16
9.5.4	Payment for Reactive Power	16
9.6	Outages and Interruptions.....	17
9.6.1	Outages	17
9.6.2	Interruption of Service.....	17
9.6.3	Under-Frequency and Over-Frequency Conditions.....	18
9.6.4	System Protection and Other Control Requirements.....	18
9.6.5	Requirements for Protection	19
9.6.6	Power Quality	19
9.7	Switching and Tagging Rules.....	19
9.8	Use of Interconnection Facilities by Third Parties	20
9.8.1	Purpose of Interconnection Facilities	20
9.8.2	Third Party Users.....	20
9.9	Disturbance Analysis Data Exchange.....	20
9.10	Generating Facility	20
Article 10.	MAINTENANCE.....	20
10.1	IPA Obligations	20
10.2	Interconnection Customer Obligations.....	20
10.3	Coordination	20

10.4	Secondary Systems	21
10.5	Operating and Maintenance Expenses	21
Article 11.	PERFORMANCE OBLIGATIONS	21
11.1	Provision of Security	21
Article 12.	INVOICES	21
12.1	General	21
12.2	Invoicing for Estimated Construction Costs	22
12.3	Final Construction Invoice	22
12.4	Payment	22
12.5	Disputes	22
Article 13.	EMERGENCIES	22
13.1	Obligations	22
13.2	Notice	23
13.3	Immediate Action	23
13.4	IPA Authority	23
13.4.1	General	23
13.4.2	Reduction and Disconnection	23
13.5	Interconnection Customer Authority	24
13.6	Limited Liability	24
Article 14.	REGULATORY REQUIREMENTS AND GOVERNING LAW	24
14.1	Regulatory Requirements	24
14.2	Governing Law	24
Article 15.	NOTICES	24
15.1	General	24
15.2	Billings and Payments	25
15.3	Alternative Forms of Notice	25
15.4	Operations and Maintenance Notice	25
Article 16.	FORCE MAJEURE	25
16.1	Force Majeure	25
Article 17.	DEFAULT	25
17.1	Default	25
17.1.1	General	25
17.1.2	Right to Terminate	26
Article 18.	INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE	26
18.1	Indemnity	26
18.1.1	Acts or Omissions of Interconnection Customer	26
18.1.2	Acts or Omissions of Operating Agent and Intermountain Power Service Corporation	26
18.1.3	No Subrogation or Other Reimbursement Claims	27
18.2	Consequential Damages	27
18.3	Insurance	27
18.3.1	In General	27
18.3.2	Specific Coverages Required]	28

18.4	Self-Insurance.....	30
18.5	Reporting.....	30
Article 19.	ASSIGNMENT.....	30
19.1	Assignment.....	30
Article 20.	SEVERABILITY.....	30
20.1	Severability.....	30
Article 21.	CONFIDENTIALITY.....	31
21.1	Confidentiality.....	31
21.1.1	Scope.....	31
21.1.2	Release of Confidential Information.....	31
21.1.3	Rights.....	31
21.1.4	No Warranties.....	32
21.1.5	Standard of Care.....	32
21.1.6	Disclosure Required by Law or Order.....	32
21.1.7	Termination of Agreement.....	32
21.1.8	Remedies.....	32
21.1.9	No Breach.....	33
Article 22.	ENVIRONMENTAL RELEASES.....	33
22.1	Notifications.....	33
Article 23.	INFORMATION REQUIREMENTS.....	33
23.1	Information Acquisition.....	33
23.2	Information Submission by IPA.....	33
23.3	Updated Information Submission by Interconnection Customer.....	33
23.4	Information Supplementation.....	34
Article 24.	INFORMATION ACCESS AND AUDIT RIGHTS.....	34
24.1	Information Access.....	34
24.2	Reporting of Non-Force Majeure Events.....	34
24.3	Audit Rights.....	35
24.4	Audit Rights Periods.....	35
24.5	Audit Results.....	35
Article 25.	SUBCONTRACTORS.....	35
25.1	General.....	35
25.2	Responsibility of Principal.....	35
25.3	No Limitation by Insurance.....	36
Article 26.	DISPUTES.....	36
26.1	Submission.....	36
26.2	External Arbitration Procedures.....	36
26.3	Arbitration Decisions.....	36
26.4	Costs.....	36
Article 27.	REPRESENTATIONS, WARRANTIES AND COVENANTS.....	37
27.1	General.....	37
27.1.1	Good Standing.....	37

27.1.2	Authority.....	37
27.1.3	No Conflict	37
27.1.4	Consent and Approval	37
Article 28. JOINT OPERATING COMMITTEE		37
28.1	Joint Operating Committee.....	37
28.1.1	Records	38
28.1.2	Equipment.....	38
28.1.3	Outages	38
28.1.4	Availability	38
28.1.5	Other	38
Article 29. MISCELLANEOUS		38
29.1	Binding Effect	38
29.2	Conflicts	38
29.3	Rules of Interpretation	38
29.4	Entire Agreement.....	39
29.5	No Third Party Beneficiaries	39
29.6	Waiver	39
29.7	Headings	39
29.8	Multiple Counterparts.....	39
29.9	Amendment	39
29.10	No Partnership	39
29.11	Performance by Operating Agent	39
29.12	Performance by Intermountain Power Service Corporation.....	40
29.13	Rights Under Power Purchase Agreement	40

APPENDICES

- Appendix A** Interconnection Facilities
- Appendix B** Milestones
- Appendix C** Interconnection Details
- Appendix D** Security Arrangements Details
- Appendix E** Commercial Operation Date
- Appendix F** Addresses for Delivery of Notices and Billings
- Appendix G** Interconnection Requirements for a Wind Generating Plant

STANDARD GENERATOR INTERCONNECTION AGREEMENT

THIS STANDARD GENERATOR INTERCONNECTION AGREEMENT (this “Agreement”) is made and entered as of the ____ day of _____ 20[___] (the “Effective Date”), by and between Intermountain Power Agency, a political subdivision of the State of Utah (“IPA”), and _____, a _____, organized and existing under the laws of the State of _____ (“Interconnection Customer”). Interconnection Customer and IPA each may be referred to as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, IPA owns the Transmission System (as defined below) and has contracted with the Operating Agent (as defined below) to serve as its agent in the operation of the Transmission System and other assets of IPA, and has contracted with Intermountain Power Service Corporation (as defined below) to provide personnel and services to assist, under the direction of the Operating Agent, in the operation of the Transmission System and such other assets of IPA; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility (as defined below); and

WHEREAS, Interconnection Customer and IPA desire to enter into this Agreement for the purpose of interconnecting the Generating Facility with the IPA Switchyard (as defined below);

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

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

ARTICLE 1. DEFINITIONS

Adverse System Impact shall mean the threatened or actual negative effects arising out of the exceedence of technical or operational limits on conductors or other equipment that may compromise the safety and reliability of an electric system.

Affected System shall mean an electric system other than the Transmission System that may be affected by the interconnection of the Generating Facility to the Transmission System.

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 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.

ANSI shall mean the American National Standard Institute or its successor organization.

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.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Balancing Authority of the Transmission System.

Balancing Authority shall mean, with respect to its Balancing Authority Area, the Los Angeles Department of Water and Power. The Balancing Authority maintains load resource balance within its Balancing Authority Area.

Balancing Authority Area shall mean the collection of generation, transmission and loads within the metered boundaries in which the Transmission System is located. Without limiting the generality of the foregoing, the boundaries of the Balancing Authority Area shall include the site of the Generating Facility.

Base Case shall mean the base case power flow, short circuit, and stability databases created by IPA and used for the Interconnection Studies.

Breach shall mean the failure of a Party to perform or observe any material term or condition of this Agreement.

Breaching Party shall mean a Party that is in Breach of this Agreement.

Business Day shall mean Monday through Friday, excluding any day on which commercial banks in the State of Utah are closed.

Commercial Operation Date of a unit shall mean the date on which Interconnection Customer commences commercial operation of the Generating Facility after Trial Operation of such unit has been completed as confirmed in writing substantially in the form of Appendix E to this Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information, including, without limitation, any such information set forth in 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 in writing as confidential by the Party supplying the information.

Default shall mean the failure of a Breaching Party to cure a Breach on its part in accordance with Article 17 of this 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.

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 IPA, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Transmission System, the IPA Interconnection Facilities or the electric systems of IPA or others to which the Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to

cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this Agreement to possess black start capability.

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

Facilities Study shall mean the study conducted by or on behalf of IPA for Interconnection Customer in accordance with the Interconnection Procedures to determine a list of facilities, the cost of those facilities, and the time required to interconnect the Generating Facility with the IPA Switchyard.

Feasibility Study shall mean the study conducted by or on behalf of IPA for Interconnection Customer in accordance with the Interconnection Procedures to determine the preliminary impacts and costs of interconnecting the Generating Facility to the IPA Switchyard.

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

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, and not caused by an act of negligence or intentional wrongdoing of the Party claiming or seeking relief or excuse as the result of an event or condition of Force Majeure. Economic hardship shall not be considered a Force Majeure event.

Generating Facility shall mean Interconnection Customer's facility for the production of electricity identified in the Interconnection Request but shall not include Interconnection Customer's Interconnection Facilities. The Generating Facility shall conform to the technical requirements specified in Appendix G to this Agreement.

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 industry.

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 either Party, 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 either Party 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 Interconnection Customer reasonably expects it will be ready to begin use of Interconnection Customer's Interconnection Facilities in connection with the operation, including for testing purposes, of the Generating Facility.

Interconnection Customer has the meaning set forth in the introductory paragraph of this Agreement.

Interconnection Customer's Interconnection Facilities or "ICIF" shall mean all facilities and equipment, as identified in Appendix A of this Agreement, that are located between the Generating Facility and the Point of Interconnection, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the IPA Switchyard. Interconnection Customer's Interconnection Facilities shall be owned by Interconnection Customer and are sole use facilities.

Interconnection Facilities shall mean the IPA Interconnection Facilities and Interconnection Customer's Interconnection Facilities.

Interconnection Procedures shall mean the Standard Generator Interconnection Procedures of IPA as in effect from time to time.

Interconnection Request shall mean Interconnection Customer's [date] request pursuant to the Interconnection Procedures to interconnect the Generating Facility with the IPA Switchyard.

Interconnection Service shall mean the Energy Resource Interconnection Service described in Article 4 and provided by IPA pursuant to the terms of this Agreement.

Interconnection Study shall mean any of the following studies performed in accordance with the Interconnection Procedures: the Feasibility Study, the System Impact Study, the Facilities Study, and any Optional Interconnection Study.

Intermountain Power Service Corporation shall mean Intermountain Power Service Corporation, a nonprofit corporation created under the provisions of the Utah Nonprofit Corporation and Cooperative Association Act, which has contracted with IPA to provide services to IPA and the Operating Agent, as IPA's agent, in connection with the operation, repair and maintenance of the Transmission System and other components of IPA's electric generation and transmission system.

IPA Interconnection Facilities shall mean all facilities and equipment from the Point of Interconnection and into the IPA Switchyard as identified in Appendix A to this Agreement, including any modifications, additions or upgrades to such facilities and equipment, which shall be owned by IPA.

IPA Switchyard shall mean the AC switchyard owned by IPA and located at the Intermountain Generating Station site near Delta, Utah, into which Interconnection Customer's transmission line from the Generating Facility will be interconnected pursuant to this Agreement.

Joint Operating Committee shall mean the Joint Operating Committee established pursuant to Article 28 of this Agreement.

Last Transmission Leg shall mean the last portion of Interconnection Customer's transmission line from the Generating Facility that begins at the boundary of the property owned by IPA and ends at the Point of Interconnection.

Los Angeles Department of Water and Power shall mean the City of Los Angeles, a California municipal corporation, acting by and through its Department of Water and Power.

Metering Equipment shall mean all metering equipment installed or to be installed pursuant to this Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, MVar-meters, backfeed meters, data acquisition equipment, transducers, remote terminal units, communications equipment, phone lines and fiber optics.

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

Network Upgrades shall mean the additions, modifications and upgrades to equipment and facilities on IPA's side of the Point of Interconnection (including to any Affected System) that are not Interconnection Facilities such as breakers or other equipment (but not upgrades to the capacity of transmission lines that are part of the Transmission System) to accommodate the interconnection of the Generating Facility to the Transmission System. Necessary Network Upgrades may be identified in the Interconnection Studies, but because they are not Interconnection Facilities, they will not be included in the work to be performed pursuant to Appendix A.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with this Agreement or its performance.

Operating Agent shall mean IPA's operating agent, the Los Angeles Department of Water and Power.

Optional Interconnection Study shall mean a study conducted by or on behalf of IPA for Interconnection Customer in accordance with and as described in the Interconnection Procedures.

Party or Parties shall mean IPA, Interconnection Customer or both.

Point of Interconnection shall mean the point described as the point of interconnection under the heading "POINT OF INTERCONNECTION" of Appendix A to this Agreement.

Power Purchasers means any or all of the purchasers of power from IPA's generating facility pursuant to current or future power purchase agreements.

Reactive Power shall mean the power consumed in an AC circuit because of the expansion and collapse of magnetic fields (inductive and electrostatic (capacitive)). Reactive Power is expressed in volt-ampere-reactive (VAR).

Real Power shall mean the product of the voltage across a branch of an alternating-current circuit and the component of the electric current that is in phase with the voltage. Real Power is measured in watts and often expressed in kilowatts (kW) or megawatts (MW).

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

Reliability Management System Agreement means the agreement between Interconnection Customer as “**Generator**” and the Los Angeles Department of Water and Power as “**Transmission Operator**” required by the Western Electricity Coordinating Council, formerly the Western Systems Coordinating Council.

System Impact Study shall mean the engineering study and any supplements thereto that, pursuant to the Interconnection Procedures, evaluated the impact of the proposed interconnection on the safety and reliability of the Transmission System.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission System and IPA’s other electric system components 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 System or on other delivery systems or other generating systems to which the Transmission System is directly connected.

Transmission System shall mean the transmission facilities owned by IPA for the transmission of energy on IPA’s side of the Point of Interconnection, including the IPA Switchyard.

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

ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION

2.1 Effective Date. This Agreement shall become effective as of the Effective Date upon execution and delivery of this Agreement by both of the Parties.

2.2 Term of Agreement. Subject to the provisions of Section 2.3, this Agreement shall remain in effect from the Effective Date until June 15, 2027, and shall, subject to the provisions of Section 2.3, be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures. This Agreement may be terminated as follows:

2.3.1 Written Notice. Interconnection Customer may terminate this Agreement after giving IPA ninety (90) calendar days advance written notice;

2.3.2 Interconnection Customer Abandonment. IPA may terminate this Agreement if Interconnection Customer has not delivered energy to the Point of Interconnection for a continuous period of twelve (12) months; provided, however, if at any time during any such twelve month period an event or condition of Force Majeure occurs that prevents Interconnection Customer from delivering energy to the Point of Interconnection, then such twelve-month period shall be extended by the length of time the Force Majeure event or condition was in existence;

- 2.3.3 IPA Abandonment.** Automatically, if after June 15, 2027, IPA does not own and operate the Transmission System in substantially the manner in which it is owned and operated as of the Effective Date; or
- 2.3.4 Default.** Either Party may terminate this Agreement in accordance with Article 17.
- 2.3.5 Other Provisions.** This Agreement shall terminate as provided in any other provision of this Agreement.
- 2.4 Termination Costs.** If this Agreement automatically terminates or is terminated pursuant to Section 2.3 above, Interconnection Customer shall pay all costs incurred (including any cancellation or return costs relating to orders or contracts for Interconnection Facilities, materials and equipment) and charges assessed by IPA, as of the date such termination becomes effective, that are the responsibility of Interconnection Customer under this Agreement. Upon termination of this Agreement for any reason, both Parties shall use Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this Agreement:
- 2.4.1 Facilities Not Completed.** With respect to any portion of the IPA Interconnection Facilities that have not yet been constructed or installed, IPA shall, to the extent possible and with Interconnection Customer's authorization, cancel any pending orders of, or return, any materials or equipment for, and cancel any contracts for construction of, such Facilities. If Interconnection Customer elects not to authorize such cancellation or return, Interconnection Customer shall assume, pursuant to a written assumption agreement executed by Interconnection Customer and in form and substance acceptable to IPA, in its reasonable discretion, all payment and other obligations with respect to such materials, equipment and contracts, and IPA shall deliver, and Interconnection Customer shall accept delivery of, such material and equipment, and, if necessary, IPA shall assign, and Interconnection Customer shall accept the assignment of, such contracts, to Interconnection Customer, which delivery and assignment shall be made as soon as practicable after the termination of this Agreement, and at Interconnection Customer's expense. For so long as any obligation assumed by Interconnection Customer pursuant to the preceding sentence remains unpaid the security provided by Interconnection Customer under Article 11 shall remain in effect and be available to be drawn upon by IPA to satisfy any such obligation.
- 2.4.2 Cancellation Costs.** Interconnection Customer shall be responsible for, and shall promptly pay, all costs incurred by IPA in connection with Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment.
- 2.4.3 Removal Costs.** With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to this Agreement, Interconnection Customer shall be responsible for, and shall promptly pay, all costs of, or associated with, the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.
- 2.5 Disconnection.** Upon termination of this Agreement, the Parties will take all appropriate steps to disconnect the Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by Interconnection Customer, unless such termination resulted from IPA's Default under this Agreement, in which case such costs shall be borne by IPA.

- 2.6 Survival.** This Agreement 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 Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

ARTICLE 3. REGULATORY FILINGS

- 3.1 Filing.** If required by Applicable Laws and Regulations, each Party shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority. Any information related to Interconnection Studies asserted in writing by either Party to contain competitively sensitive commercial or financial information shall, to the extent permitted by the public records/open meetings or other applicable laws of the States of California or Utah, be maintained by each Party and identified as “confidential”, which identification shall state that the information is Confidential Information and shall request that such information be kept confidential. If applicable, Interconnection Customer shall provide IPA, in writing, with Interconnection Customer’s basis for asserting that the information referred to in this Section 3.1 is competitively sensitive information, and IPA may disclose such writing to all appropriate Governmental Authorities. Interconnection Customer shall be responsible for the costs associated with affording confidential treatment of such information. Interconnection Customer shall reasonably cooperate with IPA with respect to, and shall pay the costs of, all such filings required of IPA and to provide any information reasonably requested by IPA needed to comply with any Applicable Laws and Regulations.

ARTICLE 4. SCOPE OF SERVICE

- 4.1 Interconnection Service.**
- 4.1.1 The Product.** Interconnection Service allows Interconnection Customer to connect the Generating Facility to the IPA Switchyard. Interconnection Service does not in and of itself convey to any person the right, or entitle any person, to transmit energy through the IPA Switchyard or to use or receive any transmission delivery service.
- 4.1.2 Transmission Delivery Service Implications.** Under Interconnection Service, Interconnection Customer will be able to inject power from the Generating Facility at the Point of Interconnection into the Transmission System only if delivery of such power can be accepted at the IPA Switchyard and if adequate transmission capacity is available to the purchaser of such power, 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 Interconnection Service have been constructed. No transmission delivery service from the Generating Facility or on the Transmission System is assured.
- 4.2 Provision of Service.** IPA shall provide Interconnection Service for the Generating Facility at the Point of Interconnection.
- 4.3 Performance Standards.** Each Party shall perform all of its obligations under this Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good

Utility Practice, and to the extent a Party is required to take any action or prevented from or limited in taking any action by such regulations and standards, such Party shall not be in Breach of this Agreement for its compliance therewith. In addition, concurrently with the execution of this Agreement, Interconnection Customer shall enter into and thereafter comply with the Reliability System Management Agreement.

ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT AND CONSTRUCTION

- 5.1 IPA Standards.** IPA 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, Applicable Reliability Standards and Applicable Laws and Regulations. In the event that IPA reasonably expects that it will not be able to complete the responsibilities assigned to it in Appendix A by the specified dates, IPA shall promptly provide written notice thereof to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest possible dates thereafter.
- 5.2 Engineering and Procurement.** The Parties shall design the Interconnection Facilities and procure the necessary equipment according to the responsibilities of each Party, as set forth in Appendix A.
- 5.3 Construction Commencement.** The Parties shall commence construction of the Interconnection Facilities according to the responsibilities of each Party, as set forth in Appendix A, as soon as practicable after the following conditions, together with any other applicable conditions in this Agreement, are satisfied:
- 5.3.1** Approval of the appropriate Governmental Authority shall have been obtained for any facilities requiring regulatory approval;
 - 5.3.2** Necessary real property rights and rights-of-way shall have been obtained, to the extent required for the construction of a discrete aspect of the Interconnection Facilities; and
 - 5.3.3** Interconnection Customer shall have provided security to IPA in accordance with Section 11.1 by the date specified in Article 11.
- 5.4 Facility Specifications.** Interconnection Customer shall submit initial plans and specifications for the ICIF, including System Protection Facilities, to IPA at least one hundred eighty (180) calendar days prior to the Initial Synchronization Date; and final plans and specifications for review and comment at least ninety (90) calendar days prior to the Initial Synchronization Date. IPA shall review such plans and specifications to ensure that the ICIF are compatible with the technical specifications, operational control and safety requirements of IPA and comment on such plans and specifications within thirty (30) calendar days of Interconnection Customer's submission thereof to IPA.
- 5.5 IPA's Review.** IPA's review of Interconnection Customer's preliminary or final specifications shall not be construed as the provision of consulting, engineering, design or construction services by IPA to Interconnection Customer or as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by

IPA, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the telemetry, communications and safety requirements of IPA.

- 5.6 Construction of Facilities.** The Interconnection Facilities shall be designed and constructed by the Party responsible therefor under Appendix A and, except as indicated in Appendix A, at the sole cost and expense of Interconnection Customer in accordance with plans and specifications approved by IPA and Good Utility Practice. Interconnection Customer shall cause all Network Upgrades not associated with the Transmission System to be completed in cooperation with the owner of the facilities that must be completed at no cost or expense to IPA. Within one hundred twenty (120) calendar days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline or an earlier deadline is required under Applicable Reliability Standards, each Party shall prepare and deliver to the other, at Interconnection Customer's expense, "as-built" drawings, information and documents for the Interconnection Facilities such Party designed or constructed pursuant to Appendix A, such as: a one-line diagram, a site plan showing the Generating Facility and the Interconnection Facilities, plan and elevation drawings showing the layout of the Interconnection Facilities, 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 Generating Facility to the step-up transformers and the Interconnection Facilities, and the impedances (determined by factory tests) for the associated step-up transformers and the Generating Facilities. Interconnection Customer shall provide IPA plans and specifications for the excitation system, automatic voltage regulator, Generating Facility control and protection settings, transformer tap settings and communications.
- 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 the IPA Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to IPA of such later date upon which the completion of the IPA Interconnection Facilities will be required, and all milestones and deadlines for such completion shall be appropriately extended.
- 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 the Transmission System, and shall work diligently and in good faith to make any necessary design changes.
- 5.9 Limited Operation.** If any of the IPA Interconnection Facilities are not reasonably expected to be completed prior to the Commercial Operation Date of the Generating Facility and completion of Interconnection Customer's Interconnection Facilities, IPA 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 Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of the IPA Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this Agreement. IPA shall permit Interconnection Customer to operate the Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

5.10 Access Rights.

5.10.1 Interconnection Customer. Upon reasonable notice and subject to any required or necessary regulatory approvals, IPA shall furnish to Interconnection Customer any rights of use, licenses, rights of way and easements (which may, in IPA's discretion, be non-exclusive) with respect to lands owned or controlled by IPA and its agents that are necessary to enable Interconnection Customer 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 Generating Facility with the IPA Switchyard; (ii) operate and maintain the Generating Facility and the ICIF; and (iii) disconnect or remove Interconnection Customer's facilities and equipment upon termination of this Agreement. Interconnection Customer shall pay to IPA, in exchange for such rights of use, licenses, rights of way and easements, a fee in an amount equal to the fair value thereof as determined pursuant to Section 36 of the Power Sales Contracts between IPA and each Power Purchaser. The form and content of any instruments used to convey such rights shall be reasonably acceptable to IPA.

5.10.2 IPA. Upon reasonable notice and subject to any required or necessary regulatory approvals, Interconnection Customer shall furnish at no cost to IPA any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by Interconnection Customer and its agents that are necessary to enable IPA 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 Generating Facility with the IPA Switchyard; (ii) operate and maintain the IPA Interconnection Facilities and the Transmission System; and (iii) disconnect or remove facilities and equipment upon termination of this Agreement.

5.10.3 Interference and Safety. In exercising such licenses, rights of way and easements, the Party granted access shall not unreasonably disrupt or interfere with normal operation of the other Party's electric system or business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Party granting access.

5.11 Permits. Appendix B to this Agreement sets forth the allocation of the responsibilities of the Parties to obtain all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. The Parties shall cooperate with each other in good faith in obtaining any such permits, licenses and authorizations.

5.12 Suspension. Interconnection Customer reserves the right, upon written notice to IPA, to suspend at any time all work by IPA associated with the construction and installation of the IPA Interconnection Facilities on the condition that the Interconnection Facilities shall be left in a safe and reliable condition in accordance with Good Utility Practice and IPA's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which IPA (i) has incurred pursuant to this Agreement 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 IPA cannot reasonably avoid.

IPA shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use Reasonable Efforts to minimize its costs. In the event Interconnection Customer suspends work pursuant to this Section 5.12, and has not requested IPA to recommence the work on or before the expiration of three (3) years following commencement of such suspension, this Agreement shall automatically terminate.

5.13 Modification.

5.13.1 General. Either Party may undertake modifications to its Interconnection Facilities. If a Party plans to undertake a modification to its Interconnection Facilities that reasonably may be expected to affect the other Party's Interconnection 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; provided, however, that IPA shall not be required to take any action in connection with Interconnection Customer's proposed modifications that would interrupt or interfere with the operation of IPA's generation assets or Transmission System. 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 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.

5.13.2 Future Interconnections. IPA may undertake, or may require Interconnection Customer to undertake (at the sole cost and expense of any future interconnection customer) modifications to Interconnection Customer's Interconnection Facilities reasonably required to accommodate the future interconnection, provided, however, that Interconnection Customer shall not be required to take any action that would unreasonably interfere with the operation of the Generating Facility.

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

5.13.4 Modification Costs. Except as set forth herein, Interconnection Customer shall not be responsible for the costs of any additions, modifications or replacements that IPA makes to the IPA Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to the IPA Interconnection Facilities or the Transmission System. 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.

5.14 Bond Financing. Notwithstanding anything in this Agreement to the contrary, IPA shall not be required to perform any obligation hereunder or take any action in furtherance thereof that, in the sole opinion of IPA's Bond Counsel, creates a risk that the use of any portion of the IPA Switchyard (or any other assets of IPA) in the manner provided in this Agreement will be treated as "private business use" under (and as defined in) section 141(b)(6) of the Internal Revenue Code; provided, however, that the foregoing shall not be applicable if Interconnection Customer

first pays to IPA all costs and expenses of mitigating the effects of such private business use, including but not limited to the costs and expenses of IPA taking appropriate remedial action as directed by its Bond Counsel, in its Bond Counsel's sole opinion required to eliminate such private business use, unless IPA shall reasonably determine to otherwise make provision for such remediation of such private business use.

ARTICLE 6. TESTING AND INSPECTION

- 6.1 Pre-Commercial Operation Date Testing and Modifications.** Prior to the Commercial Operation Date, IPA shall test the IPA Interconnection Facilities and Interconnection Customer shall test the Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation consistent with Applicable Reliability Standards. 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 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 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 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, as may be in accordance with Good Utility Practice. Interconnection Customer shall reimburse IPA for the cost of all such testing and modifications.
- 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; (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 the same.

ARTICLE 7. METERING

- 7.1 General.** Each Party shall comply with the Applicable Reliability Council Standards. Unless otherwise agreed by the Parties, IPA shall install Metering Equipment, as specified in Appendix A, prior to any operation of the Generating Facility and shall own, operate, test and maintain such Metering Equipment. Real Power and Reactive Power flows to and from the Generating Facility shall be measured at or, at IPA's option, compensated to, the Point of Interconnection. IPA 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, replacement, repair, operation, inspection, 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 IPA'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 Agreement, except as provided in Section 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by IPA 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.** IPA shall install, calibrate and test revenue quality Metering Equipment in accordance with applicable ANSI standards.
- 7.4 Testing of Metering Equipment.** IPA shall inspect and test all IPA-owned Metering Equipment upon installation and at least once every two (2) years thereafter, and if requested to do so by Interconnection Customer, shall inspect or test Metering Equipment more frequently than every two (2) years. All such testing and inspections shall be at the expense of Interconnection Customer pursuant to Section 7.1 of this Agreement. IPA 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. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent (2%) from the measurement made by the standard meter used in the test, IPA 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 and if calibrated and tested in accordance with applicable ANSI Standards. 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 IPA 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 Generating Facility to the Point of Interconnection.

ARTICLE 8. COMMUNICATIONS

- 8.1 Interconnection Customer Obligations.** Interconnection Customer shall maintain satisfactory operating communications with the Transmission System dispatcher or representative designated by IPA. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its 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 IPA as set forth in Appendix D. The data circuit(s) shall extend from the Generating Facility to the location(s) specified by IPA. Any required maintenance of such communications equipment shall be performed by Interconnection Customer at its sole expense. 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 Generating Facility, a remote terminal unit, or equivalent data collection and transfer equipment acceptable to both Parties, shall be installed by Interconnection Customer, or by IPA at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by IPA through use of a dedicated point-to-point data circuit(s) as indicated in Section 8.1. The communication protocol for the data circuit(s) shall be as specified by IPA. Instantaneous bi-directional analog Real Power and Reactive Power flow information must be telemetered directly to the location(s) specified by IPA.

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. Interconnection Customer shall reimburse IPA for all documented costs incurred by it to make any such corrections.

- 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. Notwithstanding the foregoing, IPA shall own all of the IPA Interconnection Facilities regardless whether the cost of such Facilities has been paid or reimbursed to IPA by Interconnection Customer.

ARTICLE 9. OPERATIONS

- 9.1 General.** Interconnection Customer shall comply with the Applicable Reliability Council Standards in connection with the construction, installation, operation, maintenance, repair, replacement and decommissioning of the Generating Facility and the ICIF. IPA shall comply with the Applicable Reliability Council Standards in connection with the construction, installation, operation, maintenance, repair, replacement and decommissioning of the IPA Interconnection Facilities and Transmission System. 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 IPA Obligations.** IPA shall cause the Transmission System and the IPA Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this Agreement. IPA may provide operating instructions to Interconnection Customer consistent with this Agreement and IPA's operating protocols and procedures as they may change from time to time. IPA will consider, but shall not be required to adopt, changes to its operating protocols and procedures proposed by Interconnection Customer.
- 9.3 Interconnection Customer Obligations.** Interconnection Customer shall, at its own expense, operate, maintain and control the Generating Facility and Interconnection Customer's Interconnection Facilities (except the Last Transmission Leg, which shall be operated and maintained by IPA at Interconnection Customer's sole cost and expense pursuant to Section 10.1) in a safe and reliable manner and in accordance with this Agreement. Interconnection Customer shall operate the Generating Facility and Interconnection Customer's Interconnection Facilities in

accordance with all applicable requirements of the Balancing Authority, including such requirements as are set forth in Appendix C, and shall within five (5) Business Days after execution of this Agreement execute and deliver the Reliability Management System Agreement. Interconnection Customer shall comply with all operating instructions, protocols and procedures as in effect from time to time and adopted by IPA pursuant to Section 9.2 of this Agreement.

9.4 Start-Up and Synchronization. Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Generating Facility to the Transmission System.

9.5 Reactive Power.

9.5.1 Power Factor Design Criteria. Interconnection Customer shall design the Generating Facility such that it complies with the Power Factor Design Criteria specified in Appendix G.

9.5.2 Voltage Schedules. Once Interconnection Customer has synchronized the Generating Facility with the Transmission System, Interconnection Customer shall operate the Generating Facility to produce or absorb Reactive Power within the design limitations of the Generating Facility. IPA's voltage schedules shall treat all sources of Reactive Power in the Balancing Authority Area in an equitable and not unduly discriminatory manner. IPA 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 Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Generating Facility set forth in Appendix G. If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the Affected System Operator.

9.5.3 Governors and Regulators. Whenever the Generating Facility is operated in parallel with the Transmission System and the speed governors (if installed on the generating units of the Generating Facility pursuant to Good Utility Practice) and voltage regulators are capable of operation, Interconnection Customer shall operate the Generating Facility with its speed governors and voltage regulators in automatic operation. If the Generating Facility's speed governors and voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify IPA and ensure that such Generating Facility's Reactive Power production or absorption (measured in MVARs) are within the design capability of the Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not allow or cause its Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the 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 the Applicable Reliability Standards.

9.5.4 Payment for Reactive Power. IPA shall have no liability or duty to pay Interconnection Customer for Reactive Power that Interconnection Customer provides from the Generating Facility as a result of operation of the Generating Facility outside the limits set forth in Appendix G. If, as a result of the provision of backfeed power to the Generating Facility by a third party or as a result of Interconnection Customer's operation of the Generating Facility outside the limits set forth in Appendix G, Interconnection

Customer absorbs Reactive Power in excess of such limits, Interconnection Customer shall pay IPA the reasonably determined value of the absorbed Reactive Power. Payments shall be made pursuant to Article 12 or in such other manner to which the Parties have otherwise agreed in writing.

9.6 Outages and Interruptions.

9.6.1 Outages.

9.6.1.1 Outage Authority and Coordination. Each Party may, in accordance with Good Utility Practice and in coordination with the other Party, remove from service any of its respective Interconnection Facilities that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to both Parties; provided, however, that planned maintenance outages implemented by IPA consistent with current and past practices or as required by the Intermountain Power Project Coordinating Committee shall be deemed to comply with the Reasonable Efforts standard. In all circumstances any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal. Each Party shall provide notice of its planned maintenance outages, including any updates or modifications to its planned outage schedule, to the other Party a reasonable time prior to such outages.

9.6.1.2 Outage Schedules. Interconnection Customer shall update its planned maintenance schedules as necessary. Such updated schedules shall be consistent with and comply with Section 9.6.1.1. IPA may require Interconnection Customer to reschedule its maintenance as reasonably 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.

9.6.1.3 Outage Restoration. If an outage on a Party's Interconnection Facilities 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 an 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.

9.6.2 Interruption of Service. If required by Good Utility Practice to do so, IPA may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect IPA'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 Section 9.6.2:

- 9.6.2.1 Duration.** The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;
- 9.6.2.2 No Advance Notice.** When the interruption or reduction must be made under circumstances which do not allow for advance notice, IPA 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;
- 9.6.2.3 Notice.** Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, IPA shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. IPA shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and IPA; provided, however, that IPA shall not be required to take any action in connection with Interconnection Customer's proposed modifications that would interrupt or interfere with the operation of IPA's system.
- 9.6.2.4 Cooperation.** The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Generating Facility, Interconnection Facilities, and the Transmission System and IPA's generating units to their normal operating state, consistent with system conditions and Good Utility Practice.
- 9.6.3 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 Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with IPA in accordance with Good Utility Practice and shall conform to the requirements of Appendix G. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice and Applicable Reliability Standards.
- 9.6.4 System Protection and Other Control Requirements.**
- 9.6.4.1 System Protection Facilities.** Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Generating Facility or Interconnection Customer's Interconnection Facilities. IPA shall install at Interconnection Customer's expense any System Protection Facilities that may be required on the IPA Interconnection Facilities or the Transmission System as a result of the interconnection of the Generating Facility and Interconnection Customer's Interconnection Facilities.

- 9.6.4.2 Design.** Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.
- 9.6.4.3 Protection.** Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.
- 9.6.4.4 Test Switches.** 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.
- 9.6.4.5 Testing Standards.** Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice.
- 9.6.4.6 Trip Testing.** Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party shall perform a complete calibration test and functional trip test of its 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.

9.6.5 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 Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by IPA'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 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 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 Generating Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the Generating Facility.

9.6.6 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.

9.7 Switching and Tagging Rules. Each Party shall provide the other Party a copy of its switching and tagging rules that may affect 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.

9.8 Use of Interconnection Facilities by Third Parties.

9.8.1 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 Generating Facility to the IPA Switchyard and shall be used for no other purpose.

9.8.2 Third Party Users. If required by Applicable Laws and Regulations or the Interconnection Procedures, or if the Parties mutually agree, such agreement not to be unreasonably withheld, one or more third parties shall be allowed to use the IPA Interconnection Facilities, or any part thereof. In such event, Interconnection Customer will be entitled to compensation for the capital expenses it incurs in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by IPA and the Power Purchasers, all third party users and Interconnection Customer in accordance with Applicable Laws and Regulations or 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 IPA and the Power Purchasers, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through negotiations, it shall be submitted to Dispute Resolution pursuant to Article 27.

9.9 Disturbance Analysis Data Exchange. The Parties will cooperate with one another in the analysis of disturbances to either the Generating Facility or the Transmission System by gathering and providing access to any information relating to any disturbance, including information obtained from oscillography, information regarding protective relay targets, breaker operations and sequence of events, and any other available disturbance information required by Good Utility Practice.

9.10 Generating Facility. The Generating Facility, if a wind generating facility, shall conform to the technical requirements specified in Appendix G to this Agreement.

ARTICLE 10. MAINTENANCE

10.1 IPA Obligations. IPA shall maintain the Transmission System, the IPA Interconnection Facilities and the Last Transmission Leg in a safe and reliable manner and in accordance with this Agreement.

10.2 Interconnection Customer Obligations. Interconnection Customer shall maintain the Generating Facility and Interconnection Customer's Interconnection Facilities (except for the Last Transmission Leg) in a safe and reliable manner and in accordance with this Agreement.

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

- 10.4 Secondary Systems.** Each Party shall cooperate with the other Party 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 to provide interconnection or transmission service to a third party where such third party is required to pay for such expenses, Interconnection Customer shall pay all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, removal, repairing and replacing Interconnection Customer's Interconnection Facilities, including the Last Transmission Leg; and (2) the operation, maintenance, protection, testing, repair, replacement or retirement of the IPA Interconnection Facilities. Not less than thirty (30) nor more than ninety (90) days prior to July 1 of each year after completion of the Interconnection Facilities, IPA will provide Interconnection Customer with an estimate of such costs for the succeeding 12-month period. IPA currently estimates that such expenses for the first year after completion of the Interconnection Facilities will be in the range of \$[] to \$[].

ARTICLE 11. PERFORMANCE OBLIGATIONS

- 11.1 Provision of Security.** Within five (5) Business Days after execution of this Agreement, Interconnection Customer shall provide to IPA and, subject to reductions specified in this Agreement, shall maintain throughout the term of this Agreement security in the form of either, or a combination of, surety bonds issued by an insurer or surety and specifying an expiration date reasonably acceptable to IPA or letters of credit issued by a financial institution and specifying an expiration date reasonably acceptable to IPA that are in an amount equal to [] (\$[]). The security shall be otherwise reasonably acceptable to IPA, and consistent with the Uniform Commercial Code of the State of Utah. Such security shall be issued to secure the obligations of Interconnection Customer under this Agreement including, but not limited to, the costs to be reimbursed by Interconnection Customer under Article 5, Article 10 and potential obligations payable under Article 18. Such security for payment shall be reduced on a dollar-for-dollar basis for payments made to IPA for the purpose of constructing, procuring and installing the IPA Interconnection Facilities as specified in Appendix A to this Agreement. Interconnection Customer agrees that it will increase the amount of such security in the future upon a reasonable request from IPA based on a demonstrable increase in its estimate of the costs to be covered by such security. Notwithstanding anything to the contrary in this Agreement, in no event shall the amount of security be less than [] (\$[]) adjusted for inflation every fifth (5th) year after the Effective Date.

ARTICLE 12. INVOICES

- 12.1 General.** Each Party shall submit to the other Party, on a monthly basis, invoices for amounts due to it hereunder for the preceding month (or, in the case of the first monthly invoice, amounts due for all prior periods). Each invoice shall state the month to which the invoice applies and fully describe the services, goods, equipment and other items covered by such invoice. Each

invoice submitted by IPA to Interconnection Customer pursuant to this Section 12.1 shall not include duplicate charges for amounts invoiced and paid as estimated costs pursuant to Section 12.2. 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 Agreement, 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 Invoicing for Estimated Construction Costs.** During the period in which IPA is constructing and installing the IPA Interconnection Facilities, IPA may submit to Interconnection Customer invoices for recoverable construction, installation and procurement costs IPA reasonably estimates it will incur during the second calendar month after such invoice is submitted; provided, the first such invoice shall cover the first and second calendar months after such invoice is submitted and may be submitted to Interconnection Customer concurrently with the execution and delivery of this Agreement.
- 12.3 Final Construction Invoice.** Within six months after completion of the construction and installation of the IPA Interconnection Facilities, IPA shall provide an invoice of the final cost of the construction and installation of the IPA Interconnection Facilities and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the IPA cost estimates and to ascertain deviations, if any, from the IPA cost estimates. IPA shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated construction costs exceeds the actual costs of construction within thirty (30) calendar days of the issuance of such final construction invoice.
- 12.4 Payment.** Invoices shall be submitted to the invoiced Party at the address specified in Appendix F. The Party receiving the invoice shall pay the amount payable under such invoice within thirty (30) calendar days of receipt; provided, however, the first invoice submitted by IPA pursuant to Section 12.2 of this Agreement shall be due and payable fifteen (15) calendar days after it is submitted. 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 Interconnection Customer will not constitute a waiver of any rights or claims Interconnection Customer may have under this Agreement.
- 12.5 Disputes.** In the event of a billing dispute between IPA and Interconnection Customer, IPA shall continue to provide Interconnection Service under this Agreement as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to IPA or into an independent escrow account under terms and conditions acceptable to IPA, in its reasonable discretion, the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Interconnection Customer shall be in Default of this Agreement. 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 at a rate equal to the Bank of America National Trust and Savings Association's (or its successor in interest) then effective reference rate plus two percent (2%) or the highest lawful interest rate, whichever is less.

ARTICLE 13. EMERGENCIES

- 13.1 Obligations.** Each Party shall comply with the Emergency Condition procedures of the Balancing Authority, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

13.2 Notice. IPA shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects the IPA Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify IPA promptly when it becomes aware of an Emergency Condition that affects the Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or the IPA 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 IPA's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. If the initial notice is not in writing, the initial notice shall be followed within 24 hours with written notice.

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

13.4 IPA Authority.

13.4.1 General. IPA may take whatever actions or inactions with regard to the Transmission System or the IPA 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 and the IPA Interconnection Facilities; (iii) limit or prevent damage to any IPA assets; or (iv) expedite restoration of service.

IPA shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Generating Facility or Interconnection Customer's Interconnection Facilities. IPA may, on the basis of technical considerations, require the 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 Power or Reactive Power output of the Generating Facility; implementing a reduction or disconnection pursuant to Section 13.4.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of IPA's operating instructions concerning Generating Facility Real Power and Reactive Power output within the manufacturer's design limitations of the Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.4.2 Reduction and Disconnection. IPA may reduce Interconnection Service or disconnect the Generating Facility or Interconnection Customer's Interconnection Facilities when such reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. When IPA can schedule the reduction or disconnection in advance, IPA shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. IPA shall use Reasonable Efforts to coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and IPA. 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 Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

- 13.5 Interconnection Customer Authority.** Consistent with Good Utility Practice and this Agreement, Interconnection Customer may take whatever actions or inactions are necessary with regard to the 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 Generating Facility or Interconnection Customer's Interconnection Facilities; (iii) limit or prevent damage; or (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 the IPA Interconnection Facilities. IPA shall use Reasonable Efforts to assist Interconnection Customer in such actions.
- 13.6 Limited Liability.** Except as otherwise provided in Section 10.5 or any other provision of this Agreement, 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 Applicable Reliability Standards and Good Utility Practice.

ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW

- 14.1 Regulatory Requirements.** Each Party's obligations under this Agreement shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities, in form and substance satisfactory to the applying Party, required to be obtained prior to the performance of such obligations, and the expiration of any applicable time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such approvals as it may be required to obtain by Applicable Laws and Regulations. Nothing in this Agreement shall require either Party to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act.
- 14.2 Governing Law.** The validity, interpretation and performance of this Agreement and each of its provisions shall be governed by the laws of the State of Utah, without regard to its conflicts of law principles.

ARTICLE 15. NOTICES

- 15.1 General.** Unless otherwise provided in this Agreement, any notice, demand or request required or permitted to be given by either Party to the other Party and any instrument required or permitted to be tendered or delivered by either Party in writing to the other Party 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 its address set out in Appendix F.

Either Party may change the notice information in this Agreement by giving at least 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 either Party to the other Party 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 Article 9 and Article 10.

ARTICLE 16. FORCE MAJEURE

- 16.1 Force Majeure.** 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, to the extent prevented from fulfilling such obligation by Force Majeure. A Party unable to timely 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 the 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. Upon the cessation or removal of the event or circumstance of Force Majeure, the Party claiming the benefit of Force Majeure shall promptly perform all of its obligations under this Agreement it was prevented from timely performing as soon as reasonably practical if such performance is capable of being performed.

ARTICLE 17. DEFAULT

- 17.1 Default.**
- 17.1.1 General.** No Default shall exist where the failure to discharge an obligation (other than the payment of money) is the result of: (a) Force Majeure, provided the obligation, if it is required to be discharged after the cessation or removal of the event or circumstance of Force Majeure pursuant to Article 16 of this Agreement, is discharged as required under such Section; or (b) an act or omission of the other Party. Upon a Default, the non-defaulting Party may, in its discretion, give written notice of such Default to the defaulting Party. Except as provided in Section 17.1.2 or a Breach described in Section 18.3.1 (for which no cure period shall be applicable), or a breach involving the payment of money (the applicable cure period for which shall be five (5) Business Days), the defaulting Party shall have thirty (30) calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within thirty (30) calendar days, the defaulting 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 Default specified in such notice shall cease to exist.

17.1.2 Right to Terminate. Subject to the provisions of Article 29, if a Default is not cured as provided in this Article or, if applicable cured as provided in Section 29.13, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages, and exercise all other rights and remedies to which it is entitled at law or in equity. The provisions of this Article will survive termination of this Agreement.

ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE

18.1 Indemnity.

18.1.1 Acts or Omissions of Interconnection Customer. Interconnection Customer undertakes and agrees to indemnify and hold harmless IPA, Intermountain Power Service Corporation, the Operating Agent, and all of their respective boards, owners, members, directors, officers, agents, representatives, employees, assigns and successors in interest, and, at the option of Interconnection Customer, either defend (by using counsel reasonably acceptable to and approved in advance by the affected Indemnified Party) or reimburse defense costs incurred by IPA, Intermountain Power Service Corporation, the Operating Agent, the City of Los Angeles, the Board of Water and Power Commissioners of the City of Los Angeles, and any and all of their respective boards, owners, members, directors, officers, agents, representatives, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil and criminal fines and penalties, costs, expenses (including, without limitation, reasonable attorneys' fees and disbursements and court costs) and losses of any kind or nature whatsoever, for death, bodily injury or personal injury to any person, including, without limitation, to Interconnection Customer's boards, owners, members, directors, officers, agents, representatives and employees, or damage to or destruction of any property of either Party hereto or third persons arising as a result of, or caused in whole or in part by any: (a) Breach or Default under this Agreement on the part of Interconnection Customer; or (b) negligent act, error, omission or willful misconduct incidental to, related to or connected with the performance of this Agreement or the interconnection or any other matter contemplated by or provided for under this Agreement on the part of Interconnection Customer or any of Interconnection Customer's boards, owners, members, directors, managers, officers, agents, representatives, employees or subcontractors of any tier, except, for purposes only of this Section 18.1.1, to the extent arising from the gross negligence or willful misconduct of IPA, Intermountain Power Service Corporation, the Operating Agent or their respective boards, owners, members, directors, officers, agents, representatives or employees.

18.1.2 Acts or Omissions of Operating Agent and Intermountain Power Service Corporation. Interconnection Customer undertakes and agrees to indemnify and hold harmless IPA and its boards, owners, members, directors, officers, agents, representatives, employees, assigns and successors in interest and, at the option of Interconnection Customer, either defend (by using counsel reasonably acceptable to and

approved in advance by the affected Indemnified Party) or reimburse defense costs incurred by IPA and any and all of its boards, owners, members, directors, officers, agents, representatives, employees, assigns and successors in interest from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil and criminal fines and penalties, costs, expenses (including without limitation, reasonable attorneys' fees, disbursements and court costs) and losses of any kind or nature whatsoever, for death, bodily injury or personal injury to any person, including without limitation, to Interconnection Customer's boards, owners, members, directors, officers, agents, representatives and employees, or damage to or destruction of any property of either Party hereto, or third persons in any manner arising by reason of any negligent act, error or omission incident related to or connected with the performance of this Agreement or the interconnection or any other matter contemplated by or provided for under this Agreement on the part of the Operating Agent, acting pursuant to Section 29.11, or the Intermountain Power Service Corporation acting under Section 29.12, or their respective boards, owners, members, directors, officers, agents, representatives, employees, or subcontractors of any tier (including the Intermountain Power Service Corporation), except to the extent arising from the gross negligence or willful misconduct of IPA, the Operating Agent or the Intermountain Power Service Corporation or their respective boards, officers, agents, representatives or employees.

18.1.3 No Subrogation or Other Reimbursement Claims. Interconnection Customer agrees that it shall not directly or indirectly assert any claim (including any claim against a third party under circumstances where IPA has a contractual reimbursement obligation in favor of such third party for any such claim) against IPA or seek to have IPA indemnify or reimburse Interconnection Customer for any loss, cost or damage with respect to which Interconnection Customer has a duty of indemnification pursuant to Sections 18.1.1 and 18.1.2 arising out of the acts or omissions of Operating Agent or the Intermountain Power Service Corporation in connection with this Agreement or the matters contemplated hereby.

18.2 Consequential Damages. Except with respect to liabilities arising from third-party claims for which Interconnection Customer is required to indemnify IPA pursuant to Section 18.1, in no event shall either Party be liable to the other Party under any provision of this Agreement for any indirect, incidental, punitive or consequential damages, losses, damages, costs or expenses 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 indirect, incidental, punitive or consequential damages hereunder.

18.3 Insurance.

18.3.1 In General. Not later than five (5) Business Days after the Effective Date, Interconnection Customer shall furnish the Operating Agent evidence of coverage from insurers acceptable to the Operating Agent and in a form acceptable to the Operating Agent's risk management section and the Los Angeles City Attorney. Interconnection Customer shall, at its own expense, obtain and maintain in force, and require its subcontractors or agents that perform work or services related to Interconnection Customer's Interconnection Facilities to obtain and maintain in force, throughout the term of this Agreement and for so long thereafter as required under this Agreement, the insurance coverages required pursuant to this Agreement.

Such insurance shall not limit, qualify or exclude the liabilities or obligations of Interconnection Customer under this Agreement. Neither IPA, the Operating Agent nor Intermountain Power Service Corporation shall, by reason of its inclusion under these policies, be liable to the insurance carrier for payment of premium for these policies.

Any insurance carried by the Operating Agent or IPA which may be applicable shall be deemed to be excess insurance and Interconnection Customer's insurance is primary for all purposes despite any conflicting provision in Interconnection Customer's policies to the contrary.

Such evidence of insurance shall contain a provision that the policy cannot be canceled or reduced in coverage or amount without first giving thirty (30) calendar days' notice thereof (10 days for non-payment of premium) by registered mail to The Office of the City Attorney, Water and Power Division, Post Office Box 51111, JFB Room 340, Los Angeles, California 90051-0100.

Should any portion of the required insurance be provided by a "Claims Made" policy, Interconnection Customer shall, at the policy expiration date following completion of work, provide evidence that the "Claims Made" policy has been renewed or replaced with a policy providing the same policy limits, terms and conditions as those of the expiring policy, or that an extended discovery period has been purchased on the expiring policy.

Failure to maintain and provide acceptable evidence of the required insurance for the required period of coverage shall constitute a Breach, upon which IPA may immediately terminate or suspend this Agreement and exercise its rights and remedies with respect to such Breach.

Interconnection Customer shall cause all subcontractors to obtain and maintain in force insurance coverages of the same types and policy limits required to be obtained and maintained in force by Interconnection Customer under this Agreement.

18.3.2 Specific Coverages Required. At a minimum Interconnection Customer shall maintain the following insurance coverages, with insurers authorized to do business in the State of Utah:

18.3.2.1 Employers' Liability and Workers' Compensation Insurance. Such insurance shall provide statutory benefits in accordance with the laws and regulations of the State of Utah. The limit for Employers' Liability coverage shall be not less than \$1,000,000.00 for each accident and shall be a separate policy if not included with Workers' Compensation coverage. Evidence of such insurance shall be in the form of a special endorsement of insurance and shall include a waiver of subrogation in favor of the Operating Agent, the City of Los Angeles, the Board of Water and Power Commissioners of the City of Los Angeles, IPA, Intermountain Power Service Corporation, and all of their respective directors, officers, agents and employees. Workers' Compensation/Employers' Liability exposure may be self-insured provided that the Operating Agent is furnished with a copy of the certificate issued by the state authorizing Interconnection Customer to self-insure. Interconnection Customer shall notify the Operating Agent's risk management section by receipted delivery as soon as possible-of the state withdrawing authority to self-insure.

18.3.2.2 Commercial General Liability Insurance. Such insurance shall include premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for contractual indemnification under this Agreement) 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, and with policy limits of not less than Five Million Dollars (\$5,000,000) combined single limit per occurrence. Should the policy have an aggregate limit, such aggregate limits should not be less than double the combined single limit and be specific for this Agreement. Umbrella or Excess Liability coverages may be used to supplement primary coverages to meet the required limits. Evidence of such coverage shall be on the Operating Agent's additional insured endorsement form or on an endorsement to the policy acceptable to the Operating Agent's risk management section and provide for or contain the following:

- (a) Inclusion of the Operating Agent, the City of Los Angeles, the Board of Water and Power Commissioners of the City of Los Angeles, IPA, Intermountain Power Service Corporation, and all of their respective directors, officers, agents and employees as additional insureds with the named insured for the activities and operations under or in connection with this Agreement.
- (b) A Severability-of-Interest or Cross-Liability Clause such as: "The policy to which this endorsement is attached shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of liability under the policy."
- (c) A description of the coverages included under the policy.

18.3.2.3 Comprehensive Automobile Liability Insurance. Such insurance shall include 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 and which shall apply to all operations of Interconnection Customer. The Comprehensive Automobile Liability policy shall name IPA, Intermountain Power Service Corporation, the City of Los Angeles, the Board of Water and Power Commissioners of the City of Los Angeles, the Operating Agent, and all of their respective directors, officers, agents and employees (collectively, the "Protected Parties") while acting within the scope of their employment, as additional insureds with Interconnection Customer, and shall insure against liability for death, bodily injury, or property damage resulting from the performance of this Agreement.

18.3.2.4 Excess Public Liability Coverage. Such insurance may be used to meet coverage limits specified in this Agreement. Evidence of Excess Public Liability Coverage shall be in the form of the Operating Agent's Excess Liability-Additional Insured Endorsement form or equivalent. Interconnection Customer shall require the carrier for Excess Public Liability Coverage to properly schedule and to identify the underlying policies as

provided for on the Additional Insured Endorsement form, including, as appropriate, Commercial General Liability, Commercial Automobile Liability, Employer's Liability, or other applicable insurance coverages.

- 18.4 Self-Insurance.** Notwithstanding the foregoing, Interconnection Customer may self-insure to the extent it maintains a self-insurance program that would provide the Protected Parties the functional equivalent of the benefits and protections that the Protected Parties would receive or have received had Interconnection Customer fully maintained insurance coverage that met the requirements and standards set forth in this Article 18; provided that, Interconnection Customer's senior secured debt is rated at A3 by Moodys or A- by Standard & Poor's, or better. For any period of time that Interconnection Customer's senior secured debt is unrated or is less than the ratings specified in the preceding sentence, Interconnection Customer shall comply with the insurance requirements applicable to it under Sections 18.3.2.1 through 18.3.2.4. In the event that Interconnection Customer is permitted to self-insure pursuant to this Article, it shall not be required to comply with the insurance requirements applicable to it under Sections 18.3.2.1 through 18.3.2.4.
- 18.5 Reporting.** The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, or any property damage arising out of the matters contemplated by this Agreement.

ARTICLE 19. ASSIGNMENT

- 19.1 Assignment.** Subject to the provisions of Article 29, this Agreement may be assigned by either Party only with the written consent of the other Party; provided that either Party may assign this Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; and provided further that Interconnection Customer shall have the right to assign this Agreement, without the consent of IPA, for collateral security purposes to aid in providing financing for the Generating Facility, provided that Interconnection Customer will notify, and require any secured party, trustee or mortgagee to notify, IPA of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this Article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify IPA of the date and particulars of any such exercise of assignment right(s). Any attempted assignment that violates this Article is void and ineffective. No assignment of this Agreement shall relieve a Party of its obligations hereunder, nor shall a Party's obligations hereunder 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 Agreement 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 Agreement.

ARTICLE 21. CONFIDENTIALITY

21.1 Confidentiality. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 21, each Party shall hold in confidence and shall not disclose to any person Confidential Information. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

21.1.1 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; (6) is required, in accordance with Section 21.1.6 of this Agreement, to be disclosed by any Governmental Authority; (7) is otherwise required to be disclosed by law or subpoena, including all public records/open meetings laws of the State of California or the State of Utah, or is necessary in any legal proceeding establishing rights and obligations under this Agreement; (8) is otherwise permitted to be disclosed by consent of the Disclosing Party; or (9) is necessary to fulfill its obligations under this Agreement or as a transmission service provider or a Balancing 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 to which the request or demand was given shall promptly notify the other Party in writing of such request or demand. 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.

21.1.2 Release of Confidential Information. Neither Party shall release or disclose Confidential Information received from the other Party to any other person, except to its directors, officers, employees, consultants, or to parties who may be, or are considering, providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 21 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 21.

21.1.3 Rights. Each Party retains all rights, title and interest in the Confidential Information that such 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.

- 21.1.4 No Warranties.** By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.
- 21.1.5 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.
- 21.1.6 Disclosure Required by Law or Order.** 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, or such Confidential Information is required to be disclosed by any law, including all open records/open meetings laws of the State of California or the State of Utah, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, a Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose and if such Party is under a deadline imposed by law for the disclosure of such Confidential Information, such Party shall not be required to wait beyond such deadline to disclose such information in order to await the outcome of any such action to obtain a protective order. Except with respect to information permitted or required to be disclosed pursuant to this Section, each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.
- 21.1.7 Termination of Agreement.** Except for information subject to a request described in Section 21.1.6, termination of this Agreement 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.
- 21.1.8 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 21. 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 21, 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 21, 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, consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 21.

21.1.9 No Breach. Notwithstanding this Article or any other provision within this Agreement, Interconnection Customer agrees and acknowledges that disclosure by IPA, the Los Angeles Department of Water and Power, or the Intermountain Power Service Corporation pursuant to the public records/open meetings laws of the State of California or the State of Utah shall not be a Breach, and none of IPA, the Los Angeles Department of Water and Power, the Intermountain Power Service Corporation or any of their respective boards, directors, officers, agents, representatives, employees, assigns and successors in interest shall have any liability in connection therewith.

ARTICLE 22. ENVIRONMENTAL RELEASES

22.1 Notifications. Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable after it becomes aware of such matter, provided such Party shall make a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the matter; and (ii) subject to Article 21 of this Agreement, promptly furnish to the other Party copies of any reports filed with any Governmental Authority addressing such events.

ARTICLE 23. INFORMATION REQUIREMENTS

23.1 Information Acquisition. Each Party shall submit to the other Party specific information regarding the electrical characteristics of its facilities as described below and in accordance with Applicable Reliability Standards.

23.2 Information Submission by IPA. The initial information submission by IPA shall occur no later than one hundred eighty (180) calendar days prior to the estimated date Trial Operation is scheduled to commence, as set forth in a written notice provided to IPA by Interconnection Customer unless otherwise mutually agreed by the Parties; provided, however, regardless of such scheduled date, IPA shall not be required to provide such initial information prior to the date that is ninety (90) days after the Effective Date, or, if later, sixty (60) days after notice of the Trial Operation commencement date is given to IPA. The initial information submission shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements. On a monthly basis, IPA shall provide Interconnection Customer a status report on the construction and installation of the IPA Interconnection Facilities, 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.

23.3 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 commencement of Trial Operation. Interconnection Customer shall submit a completed copy of the Generating Facility data requirements as reasonably requested by IPA, including updates of the information provided to IPA for the Interconnection Studies. Information in this submission shall be the most current Generating Facility design and expected performance data. Information submitted for stability models shall be compatible with IPA 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 IPA in connection with the Interconnection Studies, then IPA may conduct, at Interconnection Customer's expense, appropriate studies to determine the impact of the Generating Facilities and the Interconnection Facilities and the operation thereof on the Transmission System based on the actual data submitted pursuant to this Section 23.3. Interconnection Customer shall not begin Trial Operation until such studies are completed.

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

Unless otherwise agreed, the test conditions shall include: (1) the Generating Facility operating at synchronous speed; (2) the automatic voltage regulator on and in voltage control mode; and (3) a five (5) percent change in Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide IPA validated test recordings showing the responses of the 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 Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Generating Facility terminal or field voltages is provided. Generating Facility testing shall be conducted and results provided to IPA for each individual generating unit in a station.

Subsequent to the Commercial Operation Date, Interconnection Customer shall provide IPA any information changes due to equipment replacement, repair or adjustment. IPA shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent IPA-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings or 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 24. INFORMATION ACCESS AND AUDIT RIGHTS

24.1 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 Agreement; and (ii) carry out its obligations and responsibilities under this Agreement. The Parties shall not use such information for purposes other than those set forth in this Section 24.1 or to enforce their rights under this Agreement.

24.2 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 Agreement 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 and duration of, and 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 Section shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this Agreement.

- 24.3 Audit Rights.** Subject to the requirements of confidentiality under Article 21 of this Agreement, 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 its obligations under this Agreement. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, IPA's efforts to allocate responsibility for the provision of reactive support to the Transmission System, IPA'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 Section shall be performed at the offices where such accounts and records are maintained and shall be limited in scope to those portions of such accounts and records that reasonably relate to each Party's performance and satisfaction of its obligations under this Agreement during the relevant time period. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Section 24.4.
- 24.4 Audit Rights Periods.** Accounts and records related to either Party's performance or satisfaction of all of its obligations under this Agreement shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four (24) 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 the greater of twenty-four (24) months or any period prescribed by Applicable Law or Applicable Reliability Standards after the event for which the audit is sought.
- 24.5 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 25. SUBCONTRACTORS

- 25.1 General.** Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement including all Applicable Reliability Standards in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.
- 25.2 Responsibility of Principal.** The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall IPA be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under any provision of this Agreement or otherwise. Additionally, IPA shall not be liable for any of the acts or omissions of the Operating Agent, the Intermountain Power Service Corporation, or any of their respective boards, owners, members, directors, officers, agents, representatives or employees for which IPA is entitled to indemnification under Article 18 of this Agreement. Any applicable obligation imposed by this

Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

- 25.3 No Limitation by Insurance.** The obligations under this Article 25 will not be limited in any way by any limitation under insurance coverages or policies of any of its subcontractors.

ARTICLE 26. DISPUTES

- 26.1 Submission.** In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement or its performance, such Party (the “Disputing Party”) shall provide the other Party with written notice of the dispute or claim (“Notice of Dispute”). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) calendar days of the receipt of the Notice of Dispute by the Party to which it is directed, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Agreement.
- 26.2 External Arbitration Procedures.** Any arbitration initiated under this Agreement shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) calendar days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall, within twenty (20) calendar days after they are appointed, select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“Arbitration Rules”); provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 26, the terms of this Article 26 shall prevail.
- 26.3 Arbitration Decisions.** Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) calendar days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Agreement and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Federal Administrative Dispute Resolution Act.
- 26.4 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 27. REPRESENTATIONS, WARRANTIES AND COVENANTS

27.1 General. Each Party makes the following representations, warranties and covenants:

27.1.1 Good Standing. Such Party is duly organized, validly existing and, if applicable, 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 Generating Facility and Interconnection Facilities owned by such Party, as applicable, are located; and that it has the power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

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

27.1.3 No Conflict. The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents or the 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.

27.1.4 Consent and Approval. Such Party has obtained, or, in accordance with this Agreement will obtain, each consent, approval, authorization, order or acceptance by any Governmental Authority requested to be obtained by it in connection with the execution, delivery and performance of this Agreement, and it will provide to any Governmental Authority each notice of any actions under this Agreement that it is required to provide by Applicable Laws and Regulations.

ARTICLE 28. JOINT OPERATING COMMITTEE

28.1 Joint Operating Committee. IPA shall establish 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 IPA shall each appoint one representative and one alternate to the Joint Operating Committee. Interconnection Customer shall notify IPA 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. A representative of the Operating Agent shall receive notice of and shall attend each meeting of the Joint Operating Committee. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this Agreement. 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 and shall be consistent with the operating policies, procedures, practices and other requirements established under IPA's

agreements with the Power Purchasers and the Operating Agent. In the event two (2) members of the Joint Operating Committee cannot agree to any matter to which the Joint Operating Committee's duties extend, the decision of the member or alternate representing IPA complying with this Article 28 be final and binding. Subject to the foregoing, the duties of the Joint Operating Committee shall include the following:

28.1.1 Records. Establish data requirements and operating record requirements.

28.1.2 Equipment. Review the requirements, standards and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

28.1.3 Outages. Annually review the one (1) year forecast of maintenance and planned outage schedules of IPA's Interconnection Facilities and Interconnection Customer's Interconnection Facilities and coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Generating Facility and other facilities that impact the normal operation of the interconnection of the Generating Facility to the Transmission System.

28.1.4 Availability. Ensure that information is being provided by each Party regarding equipment availability.

28.1.5 Other. Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

ARTICLE 29. MISCELLANEOUS

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

29.2 Conflicts. In the event of a conflict between the body of this Agreement and any attachment, appendix or exhibit hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent and agreement of the Parties.

29.3 Rules of Interpretation. This Agreement, unless a clear intention to the contrary appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means the corresponding Article or Section of this Agreement or corresponding Appendix to this Agreement; (6) "hereunder," "hereof," "herein," "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section, Appendix 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.”

- 29.4 Entire Agreement.** This Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties or covenants which constitute any part of the consideration for, or any condition to, either Party’s compliance with its obligations under this Agreement.
- 29.5 No Third Party Beneficiaries.** This Agreement is not intended to and does not create rights, remedies or benefits of any character whatsoever in favor of any persons, corporations, associations or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 29.6 Waiver.** The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right or duty of, or imposed upon, the other Party.
- Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right or duty of this Agreement. Termination of or Default under this Agreement for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer’s legal rights to obtain an interconnection from IPA. Any waiver of any duties or obligations of either Party under this Agreement shall, if requested, be provided in writing.
- 29.7 Headings.** The descriptive headings of the various Articles, Sections, Subsections and Appendices of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 29.8 Multiple Counterparts.** This Agreement may be executed in two or more counterparts, each of which is deemed an original but all of which constitute one and the same instrument.
- 29.9 Amendment.** No amendment of this Agreement or any of the Appendices hereto shall be effective or binding unless it is set forth in a written instrument that is duly executed and delivered by both of the Parties.
- 29.10 No Partnership.** This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or to act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.
- 29.11 Performance by Operating Agent.** The Parties recognize that the Los Angeles Department of Water and Power, pursuant to an agreement with IPA, acts as the Operating Agent for IPA’s generation and transmission facilities, including the IPA Switchyard and the Transmission System, and that the Los Angeles Department of Water and Power, in such capacity as Operating Agent, is responsible for planning, negotiating, designing, constructing, insuring, administering, operating and maintaining the Transmission System and such other facilities of IPA.

Accordingly, consistent with such agreements with IPA, the Los Angeles Department of Water and Power, as Operating Agent acting on behalf of IPA, is to perform and carry out the above mentioned responsibilities with respect to the IPA Interconnection Facilities, as well as the Transmission System, as provided for under the applicable provisions of this Agreement.

29.12 Performance by Intermountain Power Service Corporation. The Parties further recognize that under an agreement with IPA and the Los Angeles Department of Water and Power as Operating Agent, Intermountain Power Service Corporation performs certain operating and maintenance work pertaining to IPA's generation and transmission facilities, including the IPA Switchyard and the Transmission System, under the direction of the Los Angeles Department of Water and Power as Operating Agent. Accordingly, consistent with such agreement with IPA and the Los Angeles Department of Water and Power, Intermountain Power Service Corporation may perform and carry out certain operation and maintenance work with respect to the IPA Interconnection Facilities, as well as the IPA Switchyard and the Transmission System, as provided for under the applicable provisions of this Agreement.

29.13 Rights Under Power Purchase Agreement. [If applicable]

This section will provide for rights, if any, of a purchaser or purchasers of the power from the Interconnection Customer to be delivered at the Point of Interconnection.

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

Intermountain Power Agency

By: _____

Title: _____

Date: _____

Interconnection Customer

By: _____

Title: _____

Date: _____

**APPENDICES
TO
STANDARD GENERATOR INTERCONNECTION AGREEMENT**

- Appendix A** Interconnection Facilities
- Appendix B** Milestones
- Appendix C** Interconnection Details
- Appendix D** Security Arrangements Details
- Appendix E** Commercial Operation Date
- Appendix F** Addresses for Delivery of Notices and Billings
- Appendix G** Interconnection Requirement for a Wind Generating Plant

**APPENDIX A
TO
STANDARD GENERATOR INTERCONNECTION AGREEMENT**

This Appendix A shall specify the roles and responsibilities of the Parties in connection with the design, installation and construction of the Interconnection Facilities.

**APPENDIX B
TO
STANDARD GENERATOR INTERCONNECTION AGREEMENT**

Milestones

**APPENDIX C
TO
STANDARD GENERATOR INTERCONNECTION AGREEMENT**

Interconnection Details

**APPENDIX D
TO
STANDARD GENERATOR INTERCONNECTION AGREEMENT**

Security Arrangements

**APPENDIX E
TO
STANDARD GENERATOR INTERCONNECTION AGREEMENT**

Commercial Operation Date

[Date]

[IPA Address]

Re: _____ Generating Facility

Dear _____:

On **[Date]**, **[Interconnection Customer]** has completed Trial Operation of the Generating Facility. This letter confirms that [Interconnection Customer] commenced regular delivery of energy for sale from the Generating Facility and that the Commercial Operation Date has been achieved with respect to the Generating Facility, effective as of **[Date plus one day]**.

Thank you.

[Signature]

[Interconnection Customer Representative]

**APPENDIX F
TO
STANDARD GENERATOR INTERCONNECTION AGREEMENT**

Addresses for Delivery of Notices and Billings

Notices:

IPA:

INTERMOUNTAIN POWER AGENCY
ATTENTION: MR. JIM HEWLETT
10653 S. RIVER FRONT PARKWAY, SUITE 120
SOUTH JORDAN, UTAH 84095

Operating Agent:

Interconnection Customer:

Billings and Payments:

IPA:

INTERMOUNTAIN POWER AGENCY
ATTENTION: MR. DAN ELDREDGE
10653 S. RIVER FRONT PARKWAY, SUITE 120
SOUTH JORDAN, UTAH 84095

Interconnection Customer:

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

IPA:

INTERMOUNTAIN POWER AGENCY
ATTENTION: MR. JIM HEWLETT
10653 S. RIVER FRONT PARKWAY, SUITE 120
SOUTH JORDAN, UTAH 84095

Interconnection Customer:

**APPENDIX G
TO
STANDARD GENERATOR INTERCONNECTION AGREEMENT**

Interconnection Requirements for a Wind Generating Plant

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 in Figure 1, below, if IPA's System Impact Study shows that low voltage ride-through capability is required to ensure safety or reliability.

The standard applies to voltage measured at the Point of Interconnection as defined in this Agreement. The figure shows the ratio of actual to nominal voltage (on the vertical axis) over time (on the horizontal axis). Before time 0.0, the voltage at the transformer is the nominal voltage. At time 0.0, the voltage drops. If the voltage remains at a level greater than zero percent of the nominal voltage for a period that does not exceed 0.2 seconds, the plant must stay online. Further, if the voltage returns to 90 percent of the nominal voltage within 3 seconds of the beginning of the voltage drop (with the voltage at any given time never falling below the minimum voltage indicated by the solid line in Figure 1), the plant must stay online. Interconnection Customer may not disable low voltage ride-through equipment while the wind plant is in operation. Two key features of this regulation are:

1. A wind generating plant must have low voltage ride-through capability down to zero percent of the rated line voltage for 0.2 seconds;
2. A wind generating plant must be able to operate continuously at 90 percent of the rated line voltage, measured at the high voltage side of the wind plant substation transformer(s).

ii. Power Factor Design Criteria (Reactive Power)

A wind generating plant shall maintain unity power factor, plus or minus 10 MVar flow, measured at the Point of Interconnection as defined in this Agreement. The power factor 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 IPA, 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 IPA to protect system reliability, including as described in Appendix A. The IPA 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.

Figure 1

WECC Generator Low Voltage Ride-Through Criterion

