

INTERMOUNTAIN POWER AGENCY
TRANSMISSION INTERCONNECTION PROCEDURES (TIP)

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ARTICLE 1 DEFINITIONS

Capitalized terms used in these Transmission Interconnection Procedures have the meaning set forth below.

Adverse System Impact shall mean the threatened or actual negative effects arising out of the exceedance 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 proposed Transmission Project.

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

Affected System Upgrade(s) shall mean the most cost efficient configuration of commercially available components of electrical equipment that can be used, consistent with Good Utility Practice and Applicable Reliability Standards, to make the modifications or additions to an Affected System that are required for the proposed Transmission Project to connect reliably to the system in a manner that meets Applicable Reliability Standards. Affected System Upgrades shall be identified by the Affected System Operator. Affected System Upgrades shall be included in Appendix A to the Transmission Project Interconnection Agreement, if they are completed within the time periods required by these Transmission Interconnection Procedures. Affected System Upgrades shall include any modifications, additions or upgrades to such facilities and equipment on the Affected System, which shall be owned by the Affected System owner and shall be paid for by the Transmission Developer.

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.

Anchor Data Set shall mean the compilation of load, resource and transmission topology information which is compatible with production cost models and power flow models, including dynamic data and associated assumptions, that is used by the WECC Regional Planning Groups as part of their regional transmission plans.

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, including without limitation, WECC.

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 Point(s) of Interconnection with the proposed Transmission Project.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Transmission Interconnection Studies by IPA, the Operating Agent or the Transmission Developer, as described in Article 6 of these Transmission Interconnection Procedures.

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

Clustering shall mean the process whereby a group of Transmission Interconnection Requests are studied together, instead of serially.

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.

Connection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Transmission Project Interconnection Agreement, and any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Transmission Project to Point(s) of Interconnection to IPA's Transmission System which shall be owned by Transmission Developer and shall be paid for by Transmission Developer.

Deposit Amount Schedule shall mean the schedule of the same name attached to these Procedures, as the same may be amended from time to time in the sole discretion of IPA, setting forth the amount of various deposits required by these Transmission Interconnection Procedures. Any amendment to such Schedule shall apply only to Transmission Interconnection Applications received by IPA after the effective date of the amendment

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties specified in Section 12.5, in which they will first attempt to resolve the dispute on an informal basis.

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

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

Facilities Study shall mean a study conducted pursuant to Article 8 of these Transmission Interconnection Procedures by IPA or IPA's third party consultant to determine a list of facilities (including Network Upgrades and Connection Facilities) as identified in the System Impact Study, the estimated cost of those facilities, and the time required to interconnect the Transmission Project with the Transmission System. The scope of the study is defined in Section 8.3 of these Transmission Interconnection Procedures.

Facilities Study Agreement shall mean an agreement described in Section 8.1 of these Transmission Interconnection Procedures for conducting the Facilities Study in the form set forth in Appendix 3.

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.

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

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over 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.

In-Service Date shall mean the date upon which Transmission Project is energized consistent with the provisions of the Transmission Project Interconnection Agreement and available to provide transmission service.

IPA shall mean the Intermountain Power Agency, a political subdivision of the State of Utah.

IPA Switchyard shall mean the AC switchyard owned by IPA and located at the Intermountain Generating Station site near Delta, Utah.

IPP Agreements shall mean the Power Sales Contracts between IPA and the purchasers of the electric capacity and energy and the transmission capacity of IPA's Intermountain Power Project and the Construction Management and Operating Agreement between IPA and the Operating Agent relating to IPA's Intermountain Power Project.

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.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Transmission Interconnection Application with a later queue priority date, as determined by IPA in its sole discretion.

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

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission System including but not limited to any Affected Systems, required at or beyond the point at which the Connection Facilities connect to the Transmission System to accommodate the interconnection of the Transmission Project to the Transmission System and shall be included in the work to be performed pursuant to Appendix A to the Transmission Project Interconnection Agreement.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with these Transmission Interconnection Procedures or the Transmission Project Interconnection Agreement.

Operating Agent shall mean the Los Angeles Department of Water and Power, as operating agent for IPA in respect of the Transmission System and other facilities of IPA with the role and responsibilities described in Section 12.2 and other sections of these Transmission Interconnection Procedures.

Party or Parties shall mean IPA and Transmission Developer or both, and any other entity subject to the requirements of these Transmission Interconnection Procedures.

Point of Interconnection shall mean the point(s) where the Transmission Project connects to the Transmission System.

Procedures shall mean the Transmission Interconnection Procedures set forth herein.

Queue Position shall mean the order of a valid Interconnection Request, Study Request, or Transmission Interconnection Application relative to all other such pending valid requests, that is established based upon the date and time of receipt of the valid request by IPA or Operating Agent.

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

Scoping Meeting shall mean the meeting described in Section 3.2.4.

System Impact Study shall mean the study conducted pursuant to Article 8 of these Transmission Interconnection Procedures that evaluates the impact of the proposed Transmission Project on the safety and reliability of the Transmission System and, if applicable, incorporate the results of studies conducted by an Affected System Operator in accordance with Section 3.3. The study shall identify and detail the system impacts, including the need for any Network Upgrades and Connection Facilities that are needed for the proposed Transmission Project to connect reliably to the Transmission System in a manner that meets Applicable Reliability Standards.

System Impact Study Agreement shall mean the agreement described in Section 8.1 for conducting the System Impact Study in the form set forth in Appendix 2 of these Transmission Interconnection Procedures.

Transmission Developer shall mean any entity that proposes to interconnect its Transmission Project with the Transmission System.

Transmission Interconnection Application shall mean the Transmission Developer's request, in the form of Appendix 1 to the Transmission Interconnection Procedures, to interconnect a Transmission Project to the Transmission System.

Transmission Project shall be a Transmission Developer's proposed transmission facility or facilities that collectively satisfy the definition of Transmission Project in Section 2.5.

Transmission Project Interconnection Agreement shall mean the interconnection agreement applicable to a Transmission Interconnection Application pertaining to a Transmission Project that is entered into in accordance with Article 10.

Transmission Interconnection Study(ies) shall mean any of the following studies: the System Impact Study (including harmonic and associated studies), and the Facilities Study described in these Transmission Interconnection Procedures.

Transmission System shall mean the facilities owned by IPA for the transmission of energy to points beyond the Point of Interconnection, including the IPA Switchyard.

WECC shall mean Western Electricity Coordinating Council or its successor.

WECC Criteria shall mean those approved regional standards and Applicable Reliability Standards established and implemented by WECC, as such criteria may change from time to time.

ARTICLE 2 SCOPE AND APPLICATION

2.1 Application of Transmission Interconnection Procedures.

Article 2 through Article 12 of these Transmission Interconnection Procedures apply to the processing of a Transmission Interconnection Application pertaining

to a Transmission Project proposing to interconnect to the Transmission System. IPA reserves the right to modify these Procedures in any manner, and any such modifications shall apply to any Transmission Interconnection Application received by IPA after the effective date of such modifications.

2.2 Comparability.

IPA shall receive, process and analyze all Transmission Interconnection Application in a timely manner as set forth in these Transmission Interconnection Procedures. IPA will use Reasonable Efforts in processing and analyzing Interconnection Requests from all Transmission Developers.

2.3 No Applicability to Station Service.

Nothing in these Transmission Interconnection Procedures shall convey to, entitle, or confer upon a Transmission Developer or any person a right to receive or purchase station power or station service, or any local delivery service subject to a retail tariff that involves electric energy used for needs of the buildings or equipment on a Transmission Project facility's site, or for operating the electric equipment that is on the Transmission Project facility's site.

2.4 No Applicability to Transmission Service, Energy or Ancillary Services.

Nothing in these Transmission Interconnection Procedures shall convey to, entitle, or confer upon the Transmission Developer or any person the right to transmit energy through the IPA Transmission System or to use or receive any transmission service beyond the Point of Interconnection. Nothing in these Transmission Interconnection Procedures shall constitute a request for, nor agreement to provide transmission service. Nothing in these Transmission Interconnection Procedures shall constitute a request for, nor agreement to provide, any energy or ancillary services.

2.5 Definition of a Transmission Project.

A Transmission Project, as defined in this Section 2.5, shall be subject to these Transmission Interconnection Procedures.

2.5.1 Except as otherwise provided in Section 2.5.2, a Transmission Project shall include a Transmission Developer's proposed new transmission facility (including Connection Facilities) that will interconnect to the Transmission System or a Transmission Developer's proposed upgrade – an improvement to, addition to, or replacement of a part of an existing transmission facility – and associated Network Upgrades on the Transmission System.

2.5.2 Notwithstanding the definition of Transmission Project in Section 2.5.1, the following transmission facilities will not be a Transmission Project that is subject to these Transmission Interconnection Procedures: a new transmission facility or

upgrade proposed by IPA or a party to the IPP Agreements in its local transmission plan.

ARTICLE 3 TRANSMISSION INTERCONNECTION APPLICATION

3.1 General.

3.1.3 A Transmission Developer proposing to interconnect a Transmission Project to the Transmission System shall submit to IPA a Transmission Interconnection Application in the form of Appendix 1 and consistent with the provisions of Section 3.2. A Transmission Developer shall submit a separate Transmission Interconnection Application for each Transmission Project it proposes to interconnect. A Transmission Developer must submit a deposit with each Transmission Interconnection Application. In its Transmission Interconnection Application, Transmission Developer shall specifically state that it agrees to be bound by the provisions of these Transmission Interconnection Procedures in connection with the Transmission Interconnection Application.

3.2 Valid Transmission Interconnection Application.

3.2.1 Initiating a Transmission Interconnection Application.

To initiate a Transmission Interconnection Application, a Transmission Developer must submit to IPA all of the following: (i) a deposit in the amount specified in the Deposit Amount Schedule, all except \$25,000 of which is refundable, (ii) a completed application in the form of Appendix 1, and updates to the In-Service Date submitted after submission of the Transmission Interconnection Application, shall be no more than ten (10) years from the date the Transmission Interconnection Application is received by the IPA, subject to demonstration of reasonable progress of development of the Transmission Project. The Los Angeles Department of Water and Power shall promptly remit to IPA any fee payable under these Transmission Interconnection Procedures received by the Los Angeles Department of Water and Power. The initial deposit shall be applied to any administrative, study, or construction costs.

3.2.2 Acknowledgment of Transmission Interconnection Application.

IPA shall acknowledge receipt of the Transmission Interconnection Application in writing within ten (10) Business Days after receipt of the application.

3.2.3 Deficiencies in Transmission Interconnection Application.

A Transmission Interconnection Application will not be considered a valid application until all items specified in Section 3.2.1 have been received by IPA. If a Transmission Interconnection Application fails to meet the requirements set forth in Section 3.2.1, IPA shall notify Transmission

Developer in writing within ten (10) Business Days of receipt of the initial Transmission Interconnection Application of the reasons for such failure and that the Transmission Interconnection Application does not constitute a valid application. The Transmission Developer shall provide IPA with the additional requested information needed to constitute a valid application within ten (10) Business Days after receipt of such notice. If Transmission Developer fails to comply with this Section 3.2.3, IPA may deem the Transmission Interconnection Application withdrawn in accordance with Section 3.4.

3.2.4 Scoping Meeting

Within ten (10) Business Days after receipt of a valid Transmission Interconnection Application, IPA shall establish a date agreeable to the Transmission Developer and the Operating Agent for the Scoping Meeting. The date shall be no later than thirty (30) Calendar Days from receipt of the valid Transmission Interconnection Application, unless otherwise mutually agreed upon by the Parties.

The purposes of the Scoping Meeting shall be to discuss whether the Transmission Developer elects to proceed to a System Impact Study for its Transmission Project, to discuss alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to analyze such information and to determine the potential feasible Points of Interconnection. The IPA, Operating Agent, and the Transmission Developer will bring to the meeting known technical data, including, but not limited to: (i) general facility loadings, (ii) general stability issues, (iii) general short circuit issues, (iv) general voltage issues, (v) general reliability issues, and (vi) general system protection issues, as may be reasonably required to accomplish the purpose of the meeting. IPA, the Operating Agent, and the Transmission Developer will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. The Transmission Developer shall in writing within five (5) Business Days of this meeting: (i) make its election as to whether it will pursue a System Impact Study for its Transmission Project, and (ii) designate the Point(s) of Interconnection for the Transmission Project. The duration of the meeting shall be sufficient to accomplish its purpose.

3.3 Coordination with Affected Systems.

IPA will coordinate the conduct of any studies required to determine the impact of the Transmission Interconnection Application on Affected Systems with Affected System Operators and, if possible, include those results (if available) in its applicable Transmission Interconnection Study within the time frame specified in

these Transmission Interconnection Procedures. IPA will invite such Affected System Operator(s) to all meetings held with the Transmission Developer as required by these Transmission Interconnection Procedures. The Transmission Developer shall cooperate with IPA in all matters related to the conduct of studies and with the Affected System Operator regarding its determination of any necessary Affected System Upgrades.

3.4 Withdrawal.

The Transmission Developer may withdraw its Interconnection Request at any time by written notice of such withdrawal to IPA. In addition, if the Transmission Developer fails to comply with any of the requirements of these Transmission Interconnection Procedures (subject to any applicable cure rights), IPA may deem the Transmission Interconnection Application to be withdrawn and if IPA does so, it shall provide written notice to the Transmission Developer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice, the Transmission Developer shall have fifteen (15) Business Days in which to either respond with information or actions that cures the deficiency or to notify IPA of its intention to pursue Dispute Resolution.

Withdrawal following the end of the cure period shall result in the loss of the Transmission Developer's Queue Position. If a Transmission Developer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, the Transmission Developer's Transmission Interconnection Application shall be eliminated from the queue until such time as the outcome of Dispute Resolution would restore its Queue Position. A Transmission Developer that withdraws or is deemed to have withdrawn its Transmission Interconnection Application shall pay to IPA all costs that IPA incurs with respect to that Transmission Interconnection Application prior to IPA's receipt of notice described above. The Transmission Developer must pay all monies due to IPA before it is allowed to obtain any Transmission Interconnection Study data or results.

After the withdrawal of any Transmission Interconnection Application, IPA shall (i) update the Queue Position and (ii) refund to Transmission Developer any portion of Transmission Developer's deposit or study payments that exceeds the costs that IPA has incurred. In the event of such withdrawal, IPA, subject to the confidentiality provisions of Article 12, shall provide, at Transmission Developer's request, all information that IPA developed for any completed study conducted up to the date of withdrawal of the Transmission Interconnection Application.

ARTICLE 4 QUEUE POSITION

4.1 General.

IPA shall assign a Queue Position based upon the date and time of receipt of a valid Transmission Interconnection Application; provided, that if the sole reason a

Transmission Interconnection Application is not valid is the lack of required information on the application form, and Transmission Developer provides such information in accordance with Section 3.2.3, then IPA shall assign Transmission Developer a Queue Position based on the date the application form was originally filed.

The Queue Position of each Transmission Interconnection Application will be used to determine the order of performing the Transmission Interconnection Studies. A higher queued Transmission Interconnection Application is one that has been placed “earlier” in the queue in relation to another Transmission Interconnection Application that is lower queued.

4.2 Clustering.

At IPA’s option, Transmission Interconnection Applications may be studied serially or in clusters for the purpose of the System Impact Study or Facilities Study.

4.3 Transferability of Queue Position.

A Transmission Developer may transfer its Queue Position to another entity only if such entity acquires the specific Transmission Project identified in the Transmission Interconnection Application and the Point(s) of Interconnection does not change. As a result of such a transfer, the acquiring entity shall become the Transmission Developer of the specific Transmission Project identified in the Transmission Interconnection Application.

4.4 Modifications.

The Transmission Developer shall submit to IPA, in writing, any modifications it wishes to make to any information provided in the Transmission Interconnection Application. The Transmission Developer shall retain its Queue Position only if the modifications are in accordance with the provisions of this Article 4, or are determined not to be Material Modifications pursuant to Section 4.4.3. All costs associated with any modifications shall be the sole responsibility of Transmission Developer.

4.4.1 Prior to the parties’ execution of the System Impact Study Agreement, the Transmission Developer may make any modification to the information provided in the Transmission Interconnection Application.

4.4.2 Following the parties’ execution of the System Impact Study Agreement, a Transmission Developer may not make any modification to the proposed Transmission Project, except for changes to the project’s electrical characteristics that IPA determines do not constitute a Material Modification pursuant to Section 4.4.3.

- 4.4.3 IPA shall evaluate a modification to the Transmission Project's electrical characteristics and will inform the Transmission Developer in writing of whether the modifications constitute a Material Modification. Any change to the Point of Interconnection shall constitute a Material Modification. IPA shall commence and perform any necessary additional studies as soon as practicable. Any additional studies resulting from such modification shall be done at Transmission Developer's cost.
- 4.4.4 If IPA determines that a Transmission Developer's modification to its Transmission Project constitutes a Material Modification, the Transmission Developer must perform a new System Impact Study for its modified Transmission Project, subject to the execution of a new System Impact Study Agreement and the provision of the required study deposit.

ARTICLE 5 PROCEDURES FOR INTERCONNECTION REQUESTS AND STUDY REQUESTS SUBMITTED PRIOR TO EFFECTIVE DATE OF TRANSMISSION INTERCONNECTION PROCEDURES.

5.1 Queue Position for Pending Requests.

- 5.1.1 Any Transmission Developer assigned one or more Queue Position(s) for its Transmission Project prior to the effective date of these Transmission Interconnection Procedures, and complies with the provisions of Section 5.1.5, shall retain that Queue Position as of the effective date of these Procedures.
- 5.1.2 If an agreement for the System Impact Study or Facilities Study for a Transmission Project has not been executed as of the effective date of these Transmission Interconnection Procedures, then such study, and any subsequent studies, shall be processed in accordance with these Transmission Interconnection Procedures.
- 5.1.3 If an agreement for the System Impact Study or Facilities Study for a Transmission Project has been executed prior to the effective date of these Transmission Interconnection Procedures, the Transmission Developer that executed the agreement may elect to either complete such study in accordance with the terms of such agreement or to execute the agreement for the comparable study, and to proceed, under these Transmission Interconnection Procedures. Transmission Developer will proceed with any subsequent studies for the Transmission Project in accordance with the Transmission Interconnection Procedures.
- 5.1.4 If an interconnection agreement for a facility that satisfies the definition of Transmission Project has been approved by IPA before the effective date

of these Transmission Interconnection Procedures, then the interconnection agreement would be grandfathered.

5.1.5 Transition Period.

To the extent necessary, IPA and Transmission Developers with outstanding Transmission Interconnection Applications that have not been approved by the effective date of these Transmission Interconnection Procedures shall transition to these Procedures within a reasonable period of time not to exceed sixty (60) calendar days. Any Transmission Developer with an outstanding request as of the effective date of these Transmission Interconnection Procedures may request a reasonable extension of any deadline, otherwise applicable, if necessary to avoid undue hardship or prejudice to its Transmission Interconnection Application. A reasonable extension shall be granted by IPA to the extent consistent with the intent and process provided for under these Transmission Interconnection Procedures.

ARTICLE 6 BASE CASE FOR TRANSMISSION INTERCONNECTION PROCEDURES

6.1 Base Case Data

The power flow, short circuit, and stability data bases, hereinafter referred to as Base Cases, shall include the following as shown in the most recently approved WECC planning cases determined to be used for the SIS.:

- (i) all existing generation and transmission facilities;
- (ii) all planned projects;
- (iii) all generation and transmission retirements and derates; and
- (iv) all other changes to existing facilities.

6.2 The Transmission Interconnection Studies

The Transmission Interconnection Studies conducted under the Transmission Interconnection Procedures consist of short circuit/fault duty, steady state (thermal and voltage) and stability analyses designed to identify the Network Upgrades required for the reliable interconnection of Transmission Projects to the Transmission System in compliance with Applicable Reliability Standards.

ARTICLE 7 SYSTEM IMPACT STUDY

7.1 System Impact Study Agreement.

As soon as practicable after receiving the Transmission Developer's election in the Scoping Meeting in accordance with Section 3.2.4 to proceed to a System Impact Study ("SIS"), IPA shall provide to the Transmission Developer a System Impact Study Agreement substantially in the form of Appendix 2.

Upon tendering the System Impact Study Agreement, IPA shall provide to the Transmission Developer a non-binding good faith estimate of the cost and timeframe for completing the SIS.

The Transmission Developer must provide the study deposit to IPA for the SIS in the amount specified in the Deposit Amount Schedule. The System Impact Study Agreement shall specify that the Transmission Developer is responsible for the actual costs incurred by IPA and the Operating Agent for the SIS. The System Impact Study Agreement shall provide that if actual study costs exceed the study deposit, IPA shall provide the Transmission Developer with a good faith estimate of additional costs, and the Transmission Developer shall pay IPA an additional deposit in the amount estimated by IPA in excess of the initial study deposit, and if the actual study costs are less than the study deposit, IPA shall refund the remaining deposit amount to the Transmission Developer. The System Impact Study Agreement shall also set forth a good faith estimate of the study schedule based on the anticipated study scope at the time the System Impact Study Agreement is executed.

7.2 Execution of System Impact Study Agreement.

The Transmission Developer shall execute the System Impact Study Agreement and deliver the executed System Impact Study Agreement and the applicable study deposit specified in the Deposit Amount Schedule to IPA no later than thirty (30) calendar days after its receipt. On or before the return of the executed System Impact Study Agreement to IPA, the Transmission Developer shall provide the technical data required by the agreement.

If the Transmission Developer does not provide all required technical data when it delivers the executed System Impact Study Agreement, IPA shall notify Transmission Developer of any deficiency within five (5) Business Days of the receipt of the executed System Impact Study Agreement. The Transmission Developer shall have ten (10) Business Days to cure the deficiency; *provided, however*, such deficiency does not include failure to deliver the executed System Impact Study Agreement or deposit. If Transmission Developer fails to provide the required technical data within this timeframe, the System Impact Study Agreement shall be withdrawn in accordance with Section 3.4.

7.3 Scope of System Impact Study.

The SIS shall evaluate the impact of the proposed interconnection of the Transmission Project on the reliability of the Transmission System. The SIS shall be conducted in accordance with Applicable Reliability Standards. The Operating Agent shall approve the specific study scope proposed for each SIS. The SIS shall consist of any of the following technical analyses:

- a. Conceptual breaker-level one-line diagram of existing system where project proposes to interconnect;
- b. Review of feasibility/constructability of conceptual breaker-level one-line diagram of the proposed interconnection (e.g., space for additional breaker bay in existing substation);
- c. Steady state and dynamic power flow analysis (thermal and voltage violations);
- d. Short circuit/fault duty analysis;
- e. Harmonic studies;
- f. Reactive Power study;
- g. Sensitivity studies, as needed;
- h. Screening for Sub-Synchronous Resonance (SSR), Sub-Synchronous Control Interaction (SSCI), Sub-Synchronous Torsional Interaction (SSTI), and AC system harmonic analysis, as applicable to the project; and
- i. Identification of Network Upgrades.

Evaluation of the SIS involves a transmission security analysis using thermal, voltage, stability and short circuit analyses, as well as a transfer limit analysis to ensure that a Transmission Project does not degrade interface transfer capability. A Transmission Project will trigger a Network Upgrades if upgrades are necessary to mitigate impacts to the controlling limit (i.e., voltage, stability, thermal) as well as any impact to the thermal limit. A Transmission Project will also trigger a Network Upgrades if it degrades the pre-project transfer limits of any IPA or Operating Agent transmission planning interface recognized in the IPA or Operating Agent's transmission planning studies. A Transmission Project that triggers an upgrade would have to fully restore the impacted transfer limits to the pre-project limits.

7.4 System Impact Study Procedures.

IPA, or IPA's consultant, shall coordinate the SIS with any Affected System that is affected by the Transmission Interconnection Application pursuant to Section

3.3 above, and, request that the Affected System Operator identify any Affected System Upgrades within the time frame specified in these Transmission Interconnection Procedures, if possible.

IPA, or IPA's consultant, shall utilize existing studies to the extent practicable when it performs the SIS. The SIS will state the assumptions upon which it is based; state the results of the analyses; and provide the requirements or potential impediments to the proposed interconnection, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. The SIS will provide a list of Network Upgrades and Connection Facilities Affected System Upgrades, if possible that are required as a result of the Transmission Project and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

IPA, or IPA's consultant, may evaluate Transmission Projects moving forward in the same time frame that both contribute to Network Upgrades to determine their pro rata cost responsibility for such Network Upgrades.

Upon request, IPA, or IPA's consultant, shall provide the Transmission Developer all supporting documentation, workpapers and relevant pre-Transmission Interconnection Application and post- Transmission Interconnection Application power flow, short circuit and stability databases for the SIS, subject to confidentiality arrangements consistent with Section 13.1.

7.5 Study Report Meeting.

As soon as practicable after completing the initial draft of the SIS report, IPA will provide the SIS report to the Transmission Developer, the Operating Agent, and any Affected Systems for review and comment. Upon completion of this review process, IPA, Transmission Developer and any Affected Systems shall meet to discuss the results of the SIS. If IPA's consultant was used to conduct the SIS, that consultant will also attend the meeting to discuss the results of the study.

ARTICLE 8 FACILITIES STUDY

8.1 Facilities Study Agreement.

A Transmission Developer may request that IPA tender a Facilities Study Agreement for its Transmission Project at any time following IPA's approval of the SIS for the Transmission Project pursuant to Section 8.5. As soon as practicable after the IPA's receipt of the Transmission Developer's request, IPA shall provide to Transmission Developer a Facilities Study Agreement substantially in the form of Appendix 3. When IPA tenders the Facilities Study Agreement, it shall provide to the Transmission Developer a non-binding good faith estimate of the cost and timeframe pursuant to which IPA, or IPA's

consultant, will conduct a Facilities Study at Transmission Developer's sole cost and expense.

The Transmission Developer must provide the applicable study deposit specified in the Deposit Amount Schedule to IPA for the Facilities Study, provided that IPA may draw upon any remainder of the Transmission Developer's initial deposit to perform the Facilities Study or have IPA's consultant perform the study. The Facilities Study Agreement shall specify that the Transmission Developer is responsible for the actual costs incurred by IPA and the Operating Agent for the Facilities Study Agreement. IPA or the Operating Agent may, at its sole discretion, require Transmission Developer to provide an additional deposit in accordance with the terms of the Facilities Study Agreement or may invoice the Transmission Developer on a monthly basis for the work to be conducted on the Facilities Study. The Transmission Developer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. IPA shall continue to hold the amounts on deposit until settlement of the final invoice. The Facilities Study Agreement shall provide that if actual study costs exceed the study deposit, the Transmission Developer shall pay IPA the amount in excess of the study deposit, and if the actual study costs are less than the study deposit, IPA shall refund the remaining deposit amount to the Transmission Developer. The Facilities Study Agreement shall also set forth the study schedule based on the study scope.

8.2 Execution of Facilities Study Agreement.

The Transmission Developer, IPA and the Operating Agent shall execute and deliver to IPA the Facilities Study Agreement no later than thirty (30) Calendar Days after IPA tenders the Facilities Study Agreement. The Transmission Developer shall, on or before the return of the executed Facilities Study Agreement to IPA, provide the deposit and technical data required by the agreement. If the Transmission Developer does not provide all required technical data when it delivers the Facilities Study Agreement, IPA shall notify the Transmission Developer of the deficiency within five (5) Business Days of the receipt of the executed Facilities Study Agreement, and the Transmission Developer shall cure the deficiency within ten (10) Business Days of receipt of the notice, provided, however, such deficiency does not include failure to deliver the executed Facilities Study Agreement or deposit. If the Transmission Developer fails to provide the required technical data within this timeframe, the Transmission Interconnection Application shall be withdrawn in accordance with Section 3.4.

8.3 Scope of Facilities Study.

The Facilities Study shall update and refine the description of Network Upgrades and Connection Facilities identified in the SIS, including the equipment, work and related cost and time estimates necessary to construct the required Network Upgrades and Connection Facilities, and identify the final specifications of all

transmission interconnection equipment for the Network Upgrades and Connection Facilities. Transmission Developer will be responsible for posting a letter of credit (or other security acceptable to IPA) in the amount of the cost estimates for the Network Upgrades and Connection Facilities documented in the final Facilities Study report pursuant to Section 8.5 of these Transmission Interconnection Procedures.

8.4 Facilities Study Procedures.

IPA, or IPA's consultant, shall coordinate the Facilities Study with any Affected System Operators, and with any other Affected System pursuant to Section 3.3 above. IPA, or IPA's consultant, shall utilize existing studies to the extent practicable in performing the Facilities Study.

8.5 Study Report Meeting.

As soon as practicable after completing the initial draft of the Facilities Study report, IPA will provide the Facilities Study report to the Transmission Developer and any Affected Systems for review and comment. Upon completion of this review process, IPA, Transmission Developer and any Affected Systems shall meet to discuss the draft Facilities Study. If IPA's consultant was used to conduct the Facilities Study, that consultant will also attend the meeting to discuss the results of the Facilities Study.

ARTICLE 9 ENGINEERING & PROCUREMENT ("E&P") AGREEMENT.

Prior to executing a Transmission Project Interconnection Agreement, a Transmission Developer may, in order to advance the implementation of its interconnection, request that IPA enter into an E&P Agreement with Transmission Developer that authorizes IPA to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. IPA shall determine, in its sole discretion, whether to enter into an E&P Agreement, and the terms and conditions of any E&P Agreement shall be acceptable to IPA in its sole discretion. The E&P Agreement is an optional procedure and it will not alter Transmission Developer's Queue Position or In-Service Date.

Any E&P Agreement shall provide for the Transmission Developer to pay the cost of all activities authorized by the Transmission Developer and to make advance payments, provide an escrow account, or other security satisfactory to IPA for such costs. The Transmission Developer shall pay the cost of such authorized activities and any cancellation costs for equipment that is already ordered for its interconnection, which cannot be mitigated as hereafter described, whether or not such items or equipment later become unnecessary. If the Transmission Developer withdraws its application for interconnection or either Party terminates the E&P Agreement, to the extent the equipment ordered can be canceled under reasonable terms, the Transmission Developer shall be obligated

to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably canceled, IPA may elect: (i) to take title to the equipment, in which event IPA shall refund the Transmission Developer any amounts paid by the Transmission Developer for such equipment and shall pay the cost of delivery of such equipment, or (ii) to transfer title to and deliver such equipment to the Transmission Developer, in which event the Transmission Developer shall pay any unpaid balance and cost of delivery of such equipment.

ARTICLE 10 TRANSMISSION PROJECT INTERCONNECTION AGREEMENT

10.1 Tender.

After completion of the Facilities Study, the Transmission Developer may request that IPA tender a draft Transmission Project Interconnection Agreement together with draft appendices completed to the extent practicable; provided, however, that if a Transmission Developer's proposed Transmission Project is only interconnecting to its own, existing facilities, a Transmission Project Interconnection Agreement is not required. The draft Transmission Project Interconnection Agreement shall be substantially in the form of Appendix 4. The Transmission Project Interconnection Agreement shall provide the mechanism through which a Transmission Developer shall post a letter of credit (or other security acceptable to IPA) for required Network Upgrades and Connection Facilities. A Transmission Developer will be required to post security with IPA for Network Upgrades and Connection Facilities that are identified in the Facilities Study; however, if the Transmission Developer is a party to the IPP Agreements, the Transmission Developer need not post security for Network Upgrades or Connection Facilities required on its own facilities.

10.2 Negotiation.

Notwithstanding Section 10.1, Transmission Developer and IPA may, if they mutually agree, begin negotiations concerning the Transmission Project Interconnection Agreement and its appendices at any time after the Transmission Developer completes the Facilities Study Agreement. IPA, Operating Agent and Transmission Developer shall finalize the appendices and negotiate concerning any disputed provisions of the draft Transmission Project Interconnection Agreement and its appendices subject to the six (6) month time limitation specified below in this Section 10.2. If either Transmission Developer or IPA determines that negotiations are at an impasse, the Party making such determination may request termination of the negotiations and initiate Dispute Resolution procedures pursuant to Section 12.5. If either Party requests termination of the negotiations, but within thirty (30) calendar days thereafter neither Party has initiated Dispute Resolution, IPA may deem the Transmission Project Interconnection Agreement withdrawn in accordance with Section 3.4. If Transmission Developer has not executed the Transmission Project Interconnection Agreement or initiated Dispute Resolution procedures pursuant to Section 12.5 within sixty (60) calendar days after delivery to it of the draft

Transmission Project Interconnection Agreement, the Transmission Project Interconnection Agreement shall be deemed withdrawn in accordance with Section 3.4.

10.3 Execution Conditions.

Prior to, and as a condition precedent to IPA's execution of the Transmission Project Interconnection Agreement, Transmission Developer shall provide IPA with reasonable evidence that one or more of the following milestones in the development of the Transmission Project has been achieved: (i) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Transmission Project; or (ii) application for land use permit.

ARTICLE 11 CONSTRUCTION OF NETWORK UPGRADES AND CONNECTION FACILITIES

11.1 Schedule.

IPA, Operating Agent, and the Transmission Developer shall negotiate in good faith concerning a schedule for the construction of the Network Upgrades and Connection Facilities. The installation of any Network Upgrades shall be negotiated with the party whose assets or systems are the subject of the Network Upgrades. IPA will, at the sole cost and expense of Transmission Developer, use Reasonable Efforts to assist Transmission Developer with the implementation of any resulting agreements. In general, the In-Service Dates set forth in applicable interconnection agreements will determine the sequence of construction of required Network Upgrades and Connection Facilities.

11.2 Advance Construction of Network Upgrades that are an Obligation of an Entity other than the Transmission Developer.

A Transmission Developer with a Transmission Project Interconnection Agreement, in order to maintain its In-Service Date, may request that IPA and the Operating Agent advance to the extent necessary the completion of Network Upgrades that: (i) were assumed in the Transmission Interconnection Studies for such Transmission Developer, (ii) are necessary to support such In-Service Date, and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than the Transmission Developer that is seeking interconnection to the Transmission System, in time to support such In-Service Date. Upon such request, IPA or Operating Agent will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that the Transmission Developer commits in writing to pay IPA and Operating Agent any associated expediting costs.

11.3 Advancing Construction of Network Upgrades that are Part of an Expansion Plan of IPA or a Party to the IPP Agreements.

A Transmission Developer with a Transmission Project Interconnection Agreement, in order to maintain its In-Service Date, may request that IPA and the Operating Agent advance to the extent necessary the completion of Network Upgrades that: (i) are necessary to support such In-Service Date and (ii) would otherwise not be completed, pursuant to an expansion plan of IPA or a party to the IPP Agreements, in time to support such In-Service Date. Upon such request, IPA or the Operating Agent will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that the Transmission Developer commits in writing to pay IPA and Operating Agent any associated expediting costs.

ARTICLE 12 MISCELLANEOUS

12.1 Confidentiality.

Subject to applicable open records laws, for a period of five (5) years after the disclosure by a Party to the Other Party of Confidential Information, and, except as otherwise provided in this Article 12, each Party shall hold in confidence and shall not disclose to any person Confidential Information delivered or exchanged pursuant to these Procedures; *provided* that Confidential Information that constitutes trade secrets under applicable laws related to the protection of trade secrets shall remain confidential for so long as allowed under such applicable laws. The Transmission Developer and IPA, in engaging in any activities pursuant to these Procedures, shall be bound by these confidentiality provisions as if the same were set forth in a written agreement between them. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

12.1.1 Scope.

Confidential Information shall not include information that the receiving Party can demonstrate by contemporaneous written documents: (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, including with respect to applicable laws related to the protection of trade secrets; (6) is required, in accordance with Section 12.1.6 of these Procedures, 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 these Procedures; (8) is otherwise permitted to be disclosed by consent of the disclosing Party; or (9) is necessary to fulfill its obligations under these Procedures or as a transmission service provider or a Balancing Area operator including disclosing the Confidential Information to any regional transmission organization or independent transmission system operator 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 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.

12.1.2 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 the Transmission Developer, or to potential purchasers or assignees of the Transmission Developer, on a need to know basis in connection with these Procedures, unless such person has first been advised of the confidentiality provisions of this Article 12 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 12.

12.1.3 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.

12.1.4 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.

12.1.5 Standard of Care.

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

12.1.6 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 these Procedures. 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.

12.1.7 Destruction.

Except for information subject to a request described in Section 12.1.6, 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.

12.1.8 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 12. 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 12, 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 13, 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 12.

12.1.9 No Breach.

Notwithstanding this Article 12 or any other provision of these Procedures, the Transmission Developer 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.

12.1.10 NERC/WECC Requirements.

In addition to the foregoing provisions under this Section 12.1, the Transmission Developer acknowledges that IPA is subject to certain data sharing requirements imposed by NERC and WECC. The Transmission Developer consents to data sharing with NERC or WECC pursuant to the requirements imposed by NERC and WECC including data sharing pursuant to requirements that conflict with any applicable data sharing or confidentiality agreements to which IPA and the Transmission Developer are parties.

12.2 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 IPA Switchyard and 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 responsibilities of IPA under these Transmission Interconnection Procedures.

IPA or the Operating Agent may use the services of contractors as it deems appropriate to perform its obligations under these Transmission Interconnection Procedures. The IPA shall remain primarily liable to the Transmission Developer for the performance of such contractors and compliance with its obligations under these Transmission Interconnection Procedures. The contractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose

12.3 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 Connection Facilities, as well as the IPA Switchyard and the Transmission System, as provided for under the applicable provisions of these Transmission Interconnection Procedures.

12.4 Obligation for Costs.

IPA shall charge and the Transmission Developer shall pay all costs associated with the Transmission Interconnection Studies incurred by IPA and the Operating Agent in the manner specified in the applicable study agreement. If a number of Transmission Interconnection Studies are conducted concurrently as a combined study, each Transmission Developer shall pay an equal share of the actual cost of the combined study. Any difference between the study deposit applicable to any Transmission Interconnection Study and the actual cost of such Transmission Interconnection Study shall, except as otherwise provided herein, be refunded to Transmission Developer or offset against the cost of any future Transmission Interconnection Studies associated with the applicable Transmission Interconnection Application. Any invoices for Transmission Interconnection Studies shall include an itemized accounting of such costs. Transmission Developer shall pay any invoices within the time specified in the applicable study

agreement or, if not specified therein, within twenty (20) calendar days of receipt of an invoice therefor. IPA shall not be obligated to perform or continue to perform any Transmission Interconnection Study unless Transmission Developer has paid all undisputed amounts in compliance herewith and with the applicable study agreement.

12.5 Disputes.

12.5.1 Submission.

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

12.5.2 External Arbitration Procedures.

Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) calendar days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) calendar days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“Arbitration Rules”); provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 13, the terms of this Article 13 shall prevail.

12.5.3 Arbitration Decisions.

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) calendar days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of these Procedures but shall have no power to modify or change any of these Procedures in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act.

12.5.4 Costs.

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

12.6 Bond Financing.

Notwithstanding anything in these Procedures 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 these Transmission Interconnection Procedures will be treated as "private business use" under (and as defined in) section 141(b)(6) of the Internal Revenue Code, or if such construction would jeopardize the tax-exempt status of any tax-exempt bonds including, but not limited to, Local Furnishing Bonds, or impair the ability IPA, party to the IPP Agreements, or Affected System Operator(s) to issue future tax-exempt obligations; provided, however, that the foregoing shall not be applicable if Transmission Developer first pays to IPA and any Affected System 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.

12.7 IPP Agreements.

Nothing in these Procedures shall be construed as changing, waiving or otherwise affecting any rights, obligations or requirements provided for under the IPP Agreements.

12.8 Conformance with NERC and WECC Reliability Requirements.

IPA will require all Transmission Developers to abide by the NERC and WECC registration and certification requirements, Applicable Reliability Standards and WECC Criteria including, but not limited to, the following:

- (a) Coordination of joint studies of new facilities and their impacts on the interconnected transmission systems and any Affected Systems.
- (b) Notification of new or modified facilities to others (those responsible for the reliability of the interconnected transmission systems) as soon as feasible.
- (c) Voltage level, MW and MVAR capacity or demand at point of connection.
- (d) Breaker duty and surge protection.
- (e) System protection and coordination.
- (f) Metering and telecommunications.
- (g) Grounding and safety issues.
- (h) Insulation and insulation coordination.
- (i) Voltage, Reactive Power, and power factor control.
- (j) Power quality impacts.
- (k) Equipment Ratings.
- (l) Synchronizing of facilities.
- (m) Maintenance coordination.
- (n) Operational issues (abnormal frequency and voltages).
- (o) Inspection requirements for existing or new facilities.
- (p) Communications and procedure during normal and emergency operating conditions.

Each of the items listed above will be addressed in IPA's Transmission Interconnection Study(ies), as applicable to the specific Transmission Interconnection Application. More general requirements are identified within various sections of these Transmission Interconnection Procedures.

DEPOSIT AMOUNT SCHEDULE

<u>Section Reference</u>	<u>Amount of Deposit or Fee</u>
Section 3.2.1(i) – Transmission Interconnection Application	Initial Deposit of \$250,000 ¹
Section 7.1 – System Impact Study	Included in Initial Deposit to extent any remaining; otherwise IPA shall provide estimate of additional costs and Transmission Developer provides additional deposit per SIS Agreement
Section 8.1 – Facilities Study	Included in initial deposit to extent any remaining; otherwise estimate of actual costs

¹ \$25,000 of this initial deposit is nonrefundable.
4842-3722-9773.v1

APPENDIX 1
TRANSMISSION INTERCONNECTION APPLICATION

1. The undersigned Transmission Developer submits this request to interconnect its proposed Transmission Project with the IPA Transmission System.
2. This Transmission Interconnection Application is submitted by:

Name of Transmission Developer:

By (signature):

Name (type or print):

Title:

Date:

3. Name of project:
4. Description of proposed project:
 - a. Address or location or the proposed new Transmission Project proposed Point(s) of Interconnection (i.e., name of existing substation or line to which the project proposes to interconnect);
 - b. General description of the equipment configuration and kV level;
 - c. In-Service Date (Day, Month, and Year);
 - d. Name, address, telephone number, and e-mail address of Transmission Developer's contact person;
 - e. Attach a conceptual breaker one-line diagram (i.e., breaker-level details for proposed elements along with high-level depiction of proposed interconnection with existing system); and
 - f. Technical data/parameters: [to be provided as attachment to initial study agreement]

**APPENDIX 2 to Transmission Interconnection Procedures
SYSTEM IMPACT STUDY AGREEMENT**

**Between
[Transmission Developer]
and
The Intermountain Power Agency**

**Attachment A To Appendix 2
System Impact Study Agreement**

**ASSUMPTIONS USED IN CONDUCTING THE
SYSTEM IMPACT STUDY**

[To Be Developed]

APPENDIX 3 to Transmission Interconnection Procedures

FACILITIES STUDY AGREEMENT

**Between
[Transmission Developer]
and
The Intermountain Power Agency**

APPENDIX 4 to Transmission Interconnection Procedures
TRANSMISSION PROJECT INTERCONNECTION AGREEMENT

[To Be Developed]