

APPENDIX 5 TO LGIP

PUBLIC UTILITY DISTRICT NO. 2 GRANT COUNTY, WASHINGTON

STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)

CONTRACT NO. [ContractNo3]

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INTERCONNECTION AGREEMENT

This Standard Large Generator Interconnection Agreement (“Agreement”) is made and entered into by and between Public Utility District No. 2 of Grant County, Washington, a municipal corporation organized and existing under the laws of the State of Washington (“Grant PUD”) and [CounterpartyTitle], a _____ organized and existing under the laws of the State of _____ (“Customer”). Grant PUD and Customer each may be referred to as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Grant PUD operates the Transmission System to which Customer intends to interconnect; and

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

WHEREAS, Customer has submitted an Application for Interconnection dated _____;

WHEREAS, Grant PUD has completed all required studies to determine requirements to make Interconnection Service available on its Transmission System to accommodate Customer’s Interconnection Request; and

WHEREAS, Customer and Grant PUD have agreed to enter into this Agreement for the purpose of interconnecting the Generating Facility with the Transmission System.

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

1. Definitions

When used in this Agreement with initial capitalization, whether in the singular or plural, the following terms shall have the meanings specified in this Section 1. Certain other terms are defined where they first appear throughout the body of this Agreement. A capitalized term that is not defined in this Agreement shall have the definition in the Tariff, the LGIP or the official NERC definition, if one exists.

Adjusted Prime Rate – A rate equal to 3.0% above the per annum prime rate, or its successor, as reported daily in the Wall Street Journal. In the event the Wall Street Journal no longer publishes the Prime Rate or a successor to the Prime Rate, the Parties will work together to determine a successor rate that is considered comparable to the Prime Rate.

Affected System - An electric system other than Grant PUD's Transmission System that may be affected by the proposed interconnection.

Affected System Operator - The entity that operates an Affected System.

Affiliate - With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

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

Applicable Laws and Regulations - 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 - The Reliability Council (an entity operating under a delegation agreement from NERC) applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards - The requirements and guidelines of the Electric Reliability Organization, and the Balancing Authority Area of the Transmission System to which the Generating Facility is directly interconnected.

Balancing Authority – The responsible entity that integrates resource plans ahead of time, maintains Demand and resource balance within a Balancing Authority Area, and supports Interconnection frequency in real time.

Balancing Authority Area – The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

Breach - The failure of a Party to perform or observe any material term or condition of this Agreement.

Breaching Party - A Party that is in Breach of this Agreement.

Business Day - Monday through Friday, excluding Federal Holidays.

Calendar Day - Any day including Saturday, Sunday, or a Federal Holiday.

Cluster - A group of one or more Interconnection Requests that are studied together for the purpose of conducting a Cluster Study.

Cluster Restudy - A restudy of a Cluster Study conducted pursuant to Section 7.5 of the LGIP.

Cluster Study - The evaluation of one or more Interconnection Requests within a Cluster as described in Section 7 of the LGIP.

Clustering - The process whereby one or more Interconnection Requests are studied together, instead of serially, as described in Section 7 of the LGIP.

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

Commercial Operation Date - The date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to this Agreement.

Confidential Information - Any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Curtail or Curtailment – Any reduction in Customer generation that is required by Grant PUD or its agent.

Customer's Interconnection Facilities - All facilities and equipment, as identified in Appendix A of this Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, Material Modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to Grant PUD's Transmission System. Customer's Interconnection Facilities are sole use facilities of Customer.

Default - The failure of a Breaching Party to cure its Breach in accordance with Section 17 of this Agreement.

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

Distribution Upgrades - The additions, modifications, and upgrades to Grant PUD's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include and are not included in Interconnection Facilities.

Effective Date - The date on which this Agreement becomes effective upon execution by the Parties.

Electric Reliability Organization - The North American Electric Reliability Corporation (NERC) or its successor organization.

Emergency Condition - 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 Grant PUD, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Grant PUD's Transmission System, Grant PUD's Interconnection Facilities or the electric systems of others to which Grant PUD's Transmission System is directly connected; or (3) that, in the case of 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, Customer's Interconnection Facilities, or Grant PUD Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Customer is not obligated by this Agreement to possess black start capability.

Energy Resource Interconnection Service - An Interconnection Service that allows Customer to connect its Generating Facility to Grant PUD's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or non-firm capacity of Grant PUD's

Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

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

Federal Power Act - The Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC -The Federal Energy Regulatory Commission or its successor.

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

Generating Facility - Customer's device(s) for the production and/or storage for later injection of electricity identified in the Interconnection Request but shall not include Customer's Interconnection Facilities.

Generating Facility Capacity – The net capacity of the Generating Facility or the aggregate net capacity of the Generating Facility where it includes more than one device for the production and/or storage for later injection of electricity.

Good Utility Practice - 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 - Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Customer, Grant PUD, or any Affiliate thereof.

Grant PUD's Interconnection Facilities - All facilities and equipment owned, controlled or operated by Grant PUD from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to this Agreement, including any modifications, Material Modifications, additions or upgrades to such facilities and equipment. Grant PUD's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Hazardous Substances - 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 - The date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date - The date upon which Grant PUD's Interconnection Facilities are reasonably expected to be available for energization and use.

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

Interconnection Facilities Study - A study conducted by Grant PUD or a third-party consultant for Customer to determine a list of facilities (including Grant PUD's Interconnection Facilities and Network Upgrades as identified in *Cluster Study*), the cost of those facilities, and the time required to interconnect the Generating Facility with Grant PUD's Transmission System.

Interconnection Request – An applicable customer's request to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected to Grant PUD's Transmission System.

Interconnection Service - The service provided by Grant PUD associated with interconnecting Customer's Generating Facility to Grant PUD's Transmission System and enabling Grant PUD to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of this Agreement and applicable business practices of Grant PUD.

Interconnection Study - Any of the following studies: the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service study, the Interconnection Facilities Study, the Affected System Study, the Operational Interconnection Study, and a Material Modification assessment, described in the LGIP.

Inverter Based Resource (IBR) – A plant/facility consisting of individual devices that are capable of exporting Real Power through a power electronic interface(s) such as an inverter or converter, and that are operated together as a single resource at a common point of interconnection to the electric system. Examples include, but are not limited to, plants/facilities with solar photovoltaic (PV), Type 3 and Type 4 wind, battery energy storage system (BESS), and fuel cell devices.

Joint Operating Committee - A group made up of representatives from Customer and Grant PUD to coordinate operating and technical considerations of Interconnection Service.

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

LGIA Deposit - The deposit Customer submits in accordance with Section 11.3 of the LGIP which is referenced as an LGIA Deposit in the LGIP.

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

Material Modification - Those modifications that have a material impact on the cost or timing of any Interconnection Request with an equal or later Queue Position.

Metering Equipment - All metering equipment installed or to be installed at or near the Generating Facility pursuant to this Agreement at the defined metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit(s), communications equipment, phone lines, microwave communications, and fiber optics.

Natural and Cultural Resource Review Process (NCRRP) – A project review process conducted by Grant PUD, or its designee, to ensure compliance with environmental permitting, land use permitting, and cultural resources.

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

Network Resource Interconnection Service - An Interconnection Service that allows Customer to integrate its Generating Facility with Grant PUD Transmission System in a manner comparable to that in which Grant PUD integrates its generating facilities to serve native load customers. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades - The additions, modifications, and upgrades to Grant PUD's Transmission System required at or beyond the point at which the Interconnection Facilities connect to Grant PUD's Transmission System to accommodate the interconnection of the Generating Facility to Grant PUD's Transmission System.

Non-Usage – Non-Usage refers to charges that do not depend on any output of energy by the facility. For instance, a firm reservation charge that is paid regardless of whether any generation occurred, is a Non-Usage based charge. Charges that depend on a measurement of energy or demand do not qualify as Non-Usage charges.

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

Point of Change of Ownership - The point, as set forth in Appendix A to this Agreement, where Customer's Interconnection Facilities connect to Grant PUD's Interconnection Facilities.

Point of Interconnection - The point, as set forth in Appendix A to this Agreement, where the Interconnection Facilities connect to Grant PUD's Transmission System.

Power System Stabilizers – Devices used to minimize real power oscillations on the Transmission System.

Predicate Facilities - Those unbuilt Interconnection Facilities and Network Upgrades upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Queue Position - The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, established pursuant to Section 4.1 of the LGIP.

Real Time Data - Data concerning time, activity, and state of operations in analog and/or digital format transmitted with a latency and sampling rate as specified by Grant PUD.

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

Site Control - The exclusive land right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control may be demonstrated by documentation establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold site of sufficient size to construct and operate the Generating Facility for such purpose; or (3) any other documentation that clearly demonstrates the right of Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. Grant PUD will maintain acreage requirements for each Generating Facility type on its OASIS or public website.

Standard Large Generator Interconnection Agreement (LGIA) - The form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility.

Standard Large Generator Interconnection Procedures (LGIP) The interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility.

System Operator - An individual at a Control Center of a Balancing Authority, Transmission Operator, or Reliability Coordinator, who operates or directs the operation of the Bulk Electric System (BES) in Real-time.

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

Tariff - The Grant PUD Open Access Transmission Tariff as approved by the Grant PUD Board of Commissioners, or any agreement executed between Customer and Grant PUD governing transmission service and interconnection service prior to the Grant PUD Board of Commissioners' approval of an Open Access Transmission Tariff.

Transmission Owner - An entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to this Agreement to the extent necessary.

Transmission System - The facilities owned, controlled or operated by Grant PUD or other Transmission Owner that are used to provide transmission service.

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

Variable Energy Resource - A device for the production of electricity that is characterized by an energy source that: (1) is renewable (2) has variability that is beyond the control of the facility owner or operator; and (3) does not have sufficient storage capability to provide true scheduling capability in the appropriate scheduling periods.

Withdrawal Penalty - The penalty assessed by Grant PUD to Customer if Customer chooses to withdraw or is deemed withdrawn from Grant PUD's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation as determined by Grant PUD. The calculation of the Withdrawal Penalty is set forth in Section 3.7.1 of the LGIP.

2. **Effective Date, Term, and Termination**

2.1 Effective Date. This Agreement shall become effective upon the last signature date. In the event Customer fails to execute this Agreement within 30 days following execution by Grant PUD, this Agreement will be of no force or effect, and neither Customer nor Grant PUD will have any rights or obligations hereunder.

2.2 Term of Agreement. Subject to the provisions of Section 2.3, this Agreement shall remain in effect for a period of ten (10) years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter unless at the time the Parties mutually agree to alter or terminate the Agreement.

2.3 Termination Procedures

2.3.1 Written Notice. This Agreement may be terminated by Customer after giving Grant PUD ninety (90) Calendar Days advance written notice, or by Grant PUD after the Generating Facility permanently ceases Commercial Operation as determined by Grant PUD.

2.3.2 Default. Either Party may terminate this Agreement in accordance with Section 17.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Section 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the terminating Party under this Agreement. In the event of termination by a Party, the 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 With respect to any portion of Grant PUD's Interconnection Facilities that have not yet been constructed or installed, Grant PUD shall to the extent possible and with Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Customer elects not to authorize such cancellation, Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Grant PUD shall deliver such material and equipment, and, if necessary, assign such contracts, to Customer as soon as practicable, at Customer's expense. To the extent that Customer has already paid Grant PUD for any or all such costs of materials or equipment not taken by Customer, Grant PUD shall refund such amounts to Customer, less any costs, including penalties, fees, or charges incurred by Grant PUD to cancel any pending orders of or return such materials, equipment, or contracts.

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

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

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this Agreement, Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

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

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.

3. Regulatory Filings

3.1 **Filing.** Grant PUD may file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, as necessary. Customer shall reasonably cooperate with Grant PUD with respect to such filing(s) and provide any information reasonably requested by Grant PUD needed to comply with applicable regulatory requirements.

4. Scope of Service

4.1 Service Options

4.1.1 Energy Resource Interconnection Service

4.1.1.1 The Product. Energy Resource Interconnection Service allows Customer to connect the Generating Facility to the Transmission System and be eligible to deliver the Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an as available basis. To the extent Customer wants to receive Energy Resource Interconnection Service, Grant PUD shall construct Grant PUD owned and operated facilities identified in Appendix A.

4.1.1.2 Transmission Service Implications. Under Energy Resource Interconnection Service, Customer shall be eligible to inject power from the Generating Facility across the Point of Interconnection and to Grant PUD's Transmission System on an as available basis up to the amount of MWs identified in the applicable transient and voltage stability and steady state studies as performed by, or on behalf of, Grant PUD to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed and energized.

If the Grant PUD Balancing Authority becomes part of an organized market, Grant PUD shall work in good faith with Customer to assist with participation in the organized market.

No transmission service from the Generating Facility is assured, but Customer may obtain transmission service pursuant to Grant PUD's policies to provide such service, up to the maximum output identified in the applicable transient and voltage stability and steady state studies as performed by, or on behalf of, Grant PUD. In those instances, in order for Customer to obtain the right to deliver or inject power beyond the Generating Facility Point of Interconnection or to improve its ability to do so, transmission service must be obtained from Grant PUD. Customer's ability to inject its Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Grant PUD's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm transmission service may require the construction of additional Network Upgrades.

4.1.2 Network Resource Integration Service

4.1.2.1 The Product. Grant PUD must conduct the necessary studies and construct the Network Upgrades needed to integrate the Generating Facility (1) in a manner comparable to that in which Grant PUD integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market-based congestion management, in the same manner as all Network Resources. To the extent Customer

wants to receive Network Resource Interconnection Service, Grant PUD shall construct the facilities identified in Attachment A to this Agreement.

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

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

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

Once Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service

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

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

- 4.2 Provision of Service.** Grant PUD 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 or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this Agreement for its compliance therewith.
- 4.4 No Transmission Service.** The execution of this Agreement does not constitute a request for, nor the provision of, any transmission service by Grant PUD and does not convey any right to deliver electricity to any specific customer or Point of Delivery.
- 4.5 Customer Provided Services.** Services provided by Customer under this Agreement are set forth in Section 13.4.1. Customer shall be paid for such services in accordance with Section 11.6.
- 4.6 Subject to Open Access Transmission Tariff (“OATT”).** In the event the Grant PUD Board of Commissioners approves an Open Access Transmission Tariff, Grant PUD may convert service under this Agreement to any future OATT as applicable; provided that the Parties shall use Reasonable Efforts to ensure that the operation of the Generating Facility, the Interconnection Facilities, and the Generating Facility’s interconnection with the Transmission System are maintained in the manner as set forth in this Agreement and to preserve the relative rights and obligations of the Parties under this Agreement.

5. Interconnection Facilities Design, Procurement, and Construction

- 5.1 Scope.** Grant PUD shall design, procure, and construct Grant PUD's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Grant PUD's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Grant PUD shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Grant PUD reasonably expects that it will not be able to complete

Grant PUD's Interconnection Facilities and Network Upgrades by the specified dates, Grant PUD shall provide written notice to Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

Design shall include all the tasks necessary to fully construct Grant PUD's Interconnection Facilities and Network Upgrades including a Natural and Cultural Resource Review Process.

- 5.2 Power System Stabilizers.** Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Electric Reliability Organization. Grant PUD reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Generating Facility. If the Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Customer shall immediately notify Grant PUD's System Operator, or its designated representative. The Generating Facility will not be online when Power System Stabilizers are not in service and capable of automatic operation.
- 5.3 Design and Equipment Procurement.** Grant PUD shall commence scheduling design of Grant PUD's Interconnection Facilities and/or Network Upgrades and procure necessary equipment as soon as practicable after the following conditions are satisfied:

 - 5.3.1** Grant PUD has completed the applicable Interconnection Facilities Study;
 - 5.3.2** Grant PUD has received written authorization to proceed with design and procurement from Customer;
 - 5.3.3** Customer has proven Site Control to Grant PUD;
 - 5.3.4** Customer has provided security to Grant PUD in accordance with Section 11.5; and
 - 5.3.5** Customer has provided a certificate of insurance to Grant PUD in accordance with Section 18.3.
- 5.4 Construction Commencement.** Grant PUD shall commence work on the construction schedule of Grant PUD's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

 - 5.4.1** Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;
 - 5.4.2** Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Grant PUD's Interconnection Facilities and Network Upgrades; and
 - 5.4.3** Grant PUD has received written authorization to proceed with construction from Customer.
- 5.5 Work Progress.** The Parties shall keep each other advised, at least quarterly, 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, Customer determines that the completion of Grant PUD's Interconnection Facilities will not be required until after the specified In-Service Date, Customer shall, at that time, provide written notice to Grant PUD of such later date upon which the completion of Grant PUD's Interconnection Facilities will be required.

5.6 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 Grant PUD's Transmission System and shall work diligently and in good faith to make any necessary design changes.

5.7 Other Interconnection Options.

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

5.8 Customer's Interconnection Facilities (CIF). Customer shall, at its expense, design, procure, construct, own and install the CIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.8.1 Customer's Interconnection Facility Specifications. Customer shall submit specifications for the CIF, including System Protection Facilities, to Grant PUD in accordance with Appendix B – Milestones. Grant PUD shall review such specifications to ensure that the CIF are compatible with the technical specifications, operational control, and safety requirements of Grant PUD and comment on such specifications within 60 Calendar Days of Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.8.2 Grant PUD's Review. Grant PUD's review of Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Generating Facility, or the CIF. Customer shall make such changes to the CIF as may reasonably be required by Grant PUD, in accordance with Good Utility Practice, to ensure that the CIF are compatible with the technical specifications, operational control, and safety requirements of Grant PUD.

5.8.3 CIF Construction. The CIF shall be designed and constructed in accordance with Good Utility Practice. Within 120 Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Customer shall deliver to Grant PUD record set drawings, information and documents for the CIF, such as: one-line and three-line

diagrams, a site plan showing the Generating Facility and the CIF, plan and elevation drawings showing the layout of the CIF, a relay functional diagram, relaying alternating current (AC) and direct current (DC) schematic wiring diagrams and relay settings for all facilities associated with Customer's step-up transformers, the facilities connecting the Generating Facility to the step-up transformers and the CIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Generating Facility. Customer shall provide Grant PUD specifications for the excitation system, automatic voltage regulator, Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

Customer shall adhere to applicable requirements in Grant PUD's Contractor Safety Requirements, as amended or its successor document, when performing work on Grant PUD property or facilities.

- 5.9 Grant PUD's Interconnection Facilities Construction.** Grant PUD's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice.
- 5.10 Access Rights.** Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, gate keys or access codes, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Generating Facility with the Transmission System; (ii) operate and maintain the Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this Agreement. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.
- 5.11 Permits.** Grant PUD and Customer shall cooperate with each other in good faith in obtaining all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations.
- 5.12 Suspension.** Customer reserves the right, upon written notice to Grant PUD, to suspend at any time all work by Grant PUD associated with the construction and installation of Grant PUD's Interconnection Facilities and/or Network Upgrades required under this Agreement with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Grant PUD's safety and reliability criteria. In such event, Customer shall be responsible for all reasonable and necessary costs which Grant PUD (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 Grant PUD cannot reasonably avoid; provided, however, that prior to canceling or

suspending any such material, equipment or labor contract, Grant PUD shall obtain Customer's authorization to do so.

Grant PUD shall invoice Customer for such costs pursuant to Section 12 and shall use due diligence to minimize its costs. Customer shall pay such costs within 30 Calendar Days following receipt of the invoice. Payment in full must be received by Grant PUD prior to the recommencement of work. In the event Customer suspends work by Grant PUD required under this Agreement pursuant to this Section 5.12 and has not requested Grant PUD to recommence the work required under this Agreement on or before the expiration of two years following commencement of such suspension, this Agreement shall be deemed terminated. The two-year period shall begin on the date the suspension is requested, or the date of the written notice to Grant PUD, if no effective date of suspension is specified, whichever is earlier. Multiple requests to suspend work will cumulatively apply toward the two-year period.

5.13 Tax Status. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect Grant PUD's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

5.14 Modification

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

Grant PUD will determine if modifications to Customer facilities will require Customer to submit an Interconnection Request and will inform Customer regarding this determination. In the case of Generating Facility modifications that do not require Customer to submit an Interconnection Request, Grant PUD shall provide, as soon as practicable, an estimate of any additional modifications to the Transmission System, Grant PUD's Interconnection Facilities or Network Upgrades necessitated by such Customer modification and a good faith estimate of the costs thereof.

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

5.14.3 Modification Costs. Customer shall not be directly assigned the costs of any additions, modifications, or replacements that Grant PUD makes to Grant

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

6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, Grant PUD shall test Grant PUD's Interconnection Facilities and Network Upgrades and Customer shall test the Generating Facility and Customer's Interconnection Facilities to ensure their safe and reliable operation. The Customer shall perform tests and provide models that accurately simulate the behavior of the Generating Facility per NERC Applicable Reliability Standards. Similar testing may be required after initial operation according to Applicable Reliability Standards. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Customer shall bear the cost of all such testing and modifications. Customer shall generate test energy at the Generating Facility only at which time it has arranged for the delivery of such test energy.

6.2 Post-Commercial Operation Date Testing and Modifications. Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Generating Facility with the Transmission System in a safe and reliable manner. The Customer shall perform tests and provide models that accurately simulate the behavior of the Generating Facility per NERC Applicable Reliability Standards. Additionally, Customer shall perform generation testing as directed by Grant PUD if performance issues are noted in or as a result of such tests.

Each Party shall have the right, upon ten (10) Business Days advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

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

6.4 Right to Inspect. Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers, after meeting appropriate safety/PPE security requirements at the requester's expense; (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, no more frequently than quarterly, as it deems necessary upon reasonable notice to the other Party. Any requests beyond this scope may result in costs to the requesting Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an approval, endorsement or confirmation of any test,

element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Section 6.4 shall be deemed to be Confidential Information and treated pursuant to Section 22 of this Agreement.

7. Metering

- 7.1 General.** Each Party shall comply with the requirements of the Electric Reliability Organization or other authority, as applicable. Unless otherwise agreed by the Parties, Grant PUD shall install Metering Equipment at the Point of Interconnection prior to any operation of the Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Generating Facility shall be measured at or, at Grant PUD's option, compensated to, the Point of Interconnection. Grant PUD shall provide metering quantities, in analog and/or digital form, to Customer upon request. Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.
- 7.2 Check Meters.** 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 Grant PUD'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 Grant PUD or its designee. The installation, operation and maintenance thereof shall be performed entirely by Customer in accordance with Good Utility Practice.
- 7.3 Standards.** Grant PUD shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.
- 7.4 Testing of Metering Equipment.** Grant PUD shall inspect and test all Grant PUD-owned Metering Equipment upon installation and periodically thereafter as required by Grant PUD procedure or Applicable Reliability Council requirements. If requested to do so by Customer, Grant PUD shall, at Customer's expense, inspect or test Metering Equipment more frequently. Grant PUD shall give reasonable notice of the time when any inspection or test shall take place, and 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 Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Grant PUD's failure to maintain, then Grant PUD shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Grant PUD shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.
- 7.5 Metering Data.** At Customer's expense, the metered data shall be telemetered to one or more locations designated by Grant PUD and one or more locations designated by Customer using a telecommunications protocol designated by Grant PUD. 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.

8. Communications

8.1 Customer Obligations. Customer shall maintain satisfactory operating communications on a 24/7 basis with Grant PUD's System Operator or representative designated by Grant PUD. Customer shall provide standard voice line and dedicated voice line 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. Customer shall also provide the dedicated data circuit(s) necessary to provide Customer data to Grant PUD as set forth in Appendix D, Security Arrangement Details. The data circuit(s) shall extend from the Generating Facility to the location(s) specified by Grant PUD. Any required maintenance of such communications equipment shall be performed by Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load and generation 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 the Parties, shall be installed by Customer, or by Grant PUD at Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Grant PUD 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 specified by Grant PUD. Instantaneous bi-directional analog real power and reactive power flow data, hourly accumulator data, and 5-minute accumulator data information must be telemetered directly to the location(s) specified by Grant PUD.

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

8.3 No Annexation. Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

8.4 Provision of Data from a Variable Energy Resource. Customer whose Generating Facility contains at least one Variable Energy Resource shall provide meteorological and forced outage data to Grant PUD to the extent necessary for Grant PUD's development and deployment of power production forecasts and integration services for that class of Variable Energy Resource as specified in Appendix H. Generating Facility Data and Performance Requirements in Appendix H may change from time to time as determined by Grant PUD. Customer with a Variable Energy Resource having wind as the energy source, at a minimum, shall be required to provide Grant PUD with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. Customer with a Variable Energy Resource having solar as the energy source, at a minimum, shall be required to provide Grant PUD with site-specific meteorological data

including: temperature, atmospheric pressure, irradiance and maximum expected irradiance based upon calendar date and time. Grant PUD and Customer whose Generating Facility contains a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. Customer whose Generating Facility contains a Variable Energy Resource also shall submit data to Grant PUD regarding all forced outages to the extent necessary for Grant PUD's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by Customer to Grant PUD, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by Grant PUD.

9. Operations

- 9.1 General.** Each Party shall comply with the Electric Reliability Organization requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.
- 9.2 Balancing Authority Area Notification.** At least nine months before Initial Synchronization Date, Customer shall notify Grant PUD in writing of the Balancing Authority Area in which the Generating Facility will be located. If Customer elects to locate the Generating Facility in a Balancing Authority Area other than the Balancing Authority Area in which the Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs and business practices, all necessary arrangements, including but not limited to those set forth in Section 7 and Section 8 of this Agreement, and remote Balancing Authority Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Generating Facility in the other Balancing Authority Area.
- 9.3 Grant PUD Obligations.** Grant PUD shall cause the Transmission System and Grant PUD's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this Agreement. Grant PUD may provide operating instructions to Customer consistent with this Agreement and Grant PUD's operating protocols and procedures as they may change from time to time. Grant PUD will consider changes to its operating protocols and procedures proposed by Customer.
- 9.4 Customer Obligations.** Customer shall at its own expense, operate, maintain, and control the Generating Facility and Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this Agreement. Customer shall operate the Generating Facility and Customer's Interconnection Facilities in accordance with all applicable requirements of the Balancing Authority Area and the Transmission System of which it is part, as such requirements are set forth in Appendix H, Generating Facility Data and Performance Requirements, of this Agreement. Appendix H will be modified by Grant PUD to reflect changes to the requirements as they may change from time to time. Either

Party may request that the other Party provide copies of the requirements set forth in Appendix H of this Agreement.

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

9.6 Reactive Power and Primary Frequency Response.

9.6.1 Power Factor Design Criteria

9.6.1.1 Synchronous Generation. Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Grant PUD has established different requirements that apply to all synchronous generators in the Balancing Authority Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation. Customer shall design the Generating Facility to maintain a composite power delivery at any non-zero power output within the range of 0.95 leading to 0.95 lagging measured at the Point of Interconnection as defined in this Agreement, unless Grant PUD has established a different power factor range that applies to all non-synchronous generators in the Balancing Authority Area on a comparable basis. This power factor range standard shall be dynamic and can be met 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, or a combination of the two.

9.6.2 Voltage Schedules. Once Customer has synchronized the Generating Facility with the Transmission System, Grant PUD shall require Customer to operate the Generating Facility to produce or absorb reactive power within the design limitations of the Generating Facility set forth in Section 9.6.1 (Power Factor Design Criteria). Grant PUD's voltage schedules shall treat all sources of reactive power in the Balancing Authority Area in an equitable and not unduly discriminatory manner. Grant PUD shall exercise Reasonable Efforts to provide 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. 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 Section 9.6.1 (Power Factor Design Criteria). If Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the Grant PUD System Operator.

9.6.2.1 Voltage Regulators. Whenever the Generating Facility is operated in parallel with the Transmission System and voltage regulators are capable of operation, Customer shall operate the Generating Facility with its voltage regulators in automatic operation. If the Generating Facility's voltage regulators are not capable at any time of such automatic operation, Customer shall immediately notify Grant PUD's

System Operator, or their designated representative, 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. Customer shall not 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 ANSI/IEEE Standard C37.106, NERC standards and associated guidelines governing IBRs, or such other standard as applied to other generators in the Balancing Authority Area on a comparable basis.

9.6.3 Inverter Based Resources: Customers shall be required to meet NERC standards and associated guidelines governing IBRs.

9.6.4 Primary Frequency Response. Customer shall ensure the primary frequency response capability of its Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term “functioning governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Generating Facility’s real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved Electric Reliability Organization Applicable Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based an approved Electric Reliability Organization Applicable Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Generating Facility’s real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Generating Facility’s real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved Electric Reliability Organization Applicable Reliability Standard providing for an equivalent or more stringent parameter. Customer shall notify Grant PUD that the primary frequency response capability of the Generating Facility has been tested and confirmed during commissioning. Once Customer has synchronized the Generating Facility with the Transmission System, Customer shall operate the Generating Facility consistent with the provisions specified in Sections 9.6.4.1 and 9.6.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Generating Facilities.

- 9.6.4.1 Governor or Equivalent Controls.** Whenever the Generating Facility is operated in parallel with the Transmission System, Customer shall operate the Generating Facility with its governor or equivalent controls in service and responsive to frequency. Customer shall: (1) in coordination with Grant PUD and/or the relevant Balancing Authority, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved Electric Reliability Organization Applicable Reliability Standard that provides for equivalent or more stringent parameters. Customer shall be required to provide the status and settings of the governor or equivalent controls to Grant PUD and/or the relevant Balancing Authority upon request. If Customer needs to operate the Generating Facility with its governor or equivalent controls not in service, Customer shall immediately notify Grant PUD and the relevant Balancing Authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Customer shall make Reasonable Efforts to keep outages of the Generating Facility's governor or equivalent controls to a minimum whenever the Generating Facility is operated in parallel with the Transmission System.
- 9.6.4.2 Timely and Sustained Response.** Customer shall ensure that the Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Generating Facility has operating capability in the direction needed to correct the frequency deviation. Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. An approved Electric Reliability Organization Applicable Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.
- 9.6.4.3 Exemptions.** Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Sections 9.6.4, 9.6.4.1, and 9.6.4.2 of this Agreement. Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the

thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 9.6.4, but shall be otherwise exempt from the operating requirements in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this Agreement.

9.6.4.4 Electric Storage Resources. Customer interconnecting a Generating Facility that contains an electric storage resource shall establish an operating range which will be included in Appendix H of this Agreement that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.3 of this Agreement. Appendix H shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Grant PUD and Customer, and in consultation with the relevant transmission owner or Balancing Authority as appropriate. If the operating range is dynamic, then Appendix H must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 9.6.4.2 of this Agreement when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the Transmission System. This response excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

9.6.5 Modifications to Frequency Response Requirements: In the event the Electric Reliability Organization materially modifies the requirements to provide

frequency response, the Parties shall work in good faith to amend this Agreement as necessary.

9.7 Outages and Interruptions.

9.7.1 Outages

9.7.1.1 Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service shall use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 Outage Schedules. Grant PUD or its agent/Affiliate shall post scheduled outages of its transmission facilities on the Reliability Coordinator's industry coordinated outage management system such as the Reliability Coordinator's WebOMS or its successor. Customer shall submit its planned maintenance schedules for the Generating Facility to Grant PUD for a minimum of a rolling 24 month period. Customer shall update its planned maintenance schedules as necessary and with sufficient lead time to allow Grant PUD to meet study and posting requirements. Grant PUD may request Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability.

9.7.1.3 Outage Restoration. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required to the Grant PUD System Operator.

9.7.2 Interruption of Service. If required by Good Utility Practice to do so, Grant PUD may require Customer to interrupt or Curtail deliveries of electricity if such delivery of electricity could adversely affect Grant PUD'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 9.7.2:

- 9.7.2.1** The interruption or Curtailment shall continue only for so long as reasonably necessary under Good Utility Practice, and Customer shall be notified as soon as practicable when the interruption or Curtailment is no longer necessary;
- 9.7.2.2** Any such interruption or Curtailment shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System, taking into account Grant PUD's legal, regulatory and operational constraints;
- 9.7.2.3** When the interruption or Curtailment must be made under circumstances which do not allow for advance notice, Grant PUD shall notify Customer by telephone as soon as practicable of the reasons for the Curtailment, interruption, or reduction, and, if known, its expected duration.
- 9.7.2.4** Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Grant PUD shall notify Customer in advance regarding the timing of such scheduling and further notify Customer of the expected duration. Grant PUD shall coordinate with Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Customer and Grant PUD;
- 9.7.2.5** 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 to their normal operating state, consistent with system conditions and Good Utility Practice.
- 9.7.3 Ride Through Capability and Performance.** The Transmission System is designed to automatically activate a load-shedding program as required by the Electric Reliability Organization in the event of an under-frequency system disturbance. Customer shall implement under-frequency and over-frequency relay set points for the Generating Facility as required by the Electric Reliability Organization to ensure frequency "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 Grant PUD in accordance with Good Utility Practice. Customer shall also implement under-voltage and over-voltage relay set points, or equivalent electronic controls, as required by the Electric Reliability Organization to ensure voltage "ride through" capability of the Transmission System. 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, over-frequency, under-voltage, and over-voltage conditions, in accordance with Good Utility Practice and Electric Reliability Organization requirements and guidelines and consistent with any standards and guidelines that are applied to other Generating Facilities in the Balancing Authority Area on a comparable basis. For abnormal frequency conditions and voltage conditions within the "no trip zone" defined by reliability standard PRC-024-3 or successor mandatory ride through Applicable Reliability

Standards, the non-synchronous Generating Facility must ensure that, within any physical limitations of the Generating Facility, its control and protection settings are configured or set to (1) continue active power production during disturbance and post disturbance periods at pre-disturbance levels, unless reactive power priority mode is enabled or unless providing primary frequency response or fast frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response or fast frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response or fast frequency response.

9.7.4 System Protection and Other Control Requirements.

- 9.7.4.1 System Protection Facilities.** Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Generating Facility or Customer's Interconnection Facilities. Grant PUD shall install at Customer's expense any System Protection Facilities that may be required on Grant PUD's Interconnection Facilities or the Transmission System as a result of the interconnection of the Generating Facility and Customer's Interconnection Facilities.
- 9.7.4.2** Each Party's System Protection Facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.
- 9.7.4.3** Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.
- 9.7.4.4** Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Section 6 and that meet the industry standards for electrical work (i.e., current shorting, etc.). 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 Customer's units.
- 9.7.4.5** Each Party shall test, operate and maintain System Protection Facilities and records in accordance with Good Utility Practice, or if required, NERC testing and record retention requirements.
- 9.7.4.6** Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals required by regulatory standards or 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.

9.7.5 Requirements for Protection. In compliance with Good Utility Practice, 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 Grant PUD'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, an open air and visible 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. Customer shall be responsible for protection of the Generating Facility and 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. Customer shall be solely responsible to disconnect the Generating Facility and Customer's other equipment if conditions on the Transmission System could adversely affect the Generating Facility.

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

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

9.9 Use of Interconnection Facilities by Third Parties.

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

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Grant PUD's Interconnection Facilities, or any part thereof, Customer shall be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Grant PUD, the remaining depreciated value, all third party users, and Customer, in accordance with Applicable Laws and

Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, shall be allocated between Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Grant PUD, all third party users, and Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology.

- 9.10 Disturbance Analysis Data Exchange.** The Parties shall cooperate with one another in the analysis of disturbances to either the Generating Facility or Grant PUD's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by either Good Utility Practice or NERC requirements.
- 9.11 Scheduling.** Customer shall conform to Grant PUD and/or WECC standard scheduling practices for purposes of scheduling energy and power from the Generating Facility.

10. Maintenance

- 10.1 Grant PUD Obligations.** Grant PUD shall maintain the Transmission System and Grant PUD's Interconnection Facilities in a safe and reliable manner and in accordance with this Agreement.
- 10.2 Customer Obligations.** Customer shall maintain the Generating Facility and Customer's Interconnection Facilities 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 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 potential and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.
- 10.5 Operating and Maintenance Expenses.** Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Grant PUD's Interconnection Facilities. The terms of payments made by Customer for costs described in this Section 10.5 are contained in Appendix C.

11. Performance Obligation

- 11.1 Customer Interconnection Facilities.** Customer shall design, procure, construct, install, own and/or control Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.
- 11.2 Grant PUD's Interconnection Facilities.** Grant PUD shall design, procure, construct, install, own and/or control Grant PUD's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of Customer.
- 11.3 Network Upgrades and Distribution Upgrades.** Grant PUD shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. Customer shall be responsible for all costs related to Distribution Upgrades and Network Upgrades.
- 11.4 Transmission Credits.**

- 11.4.1 Repayment of Amounts Advanced for Network Upgrades.** Customer shall be entitled to a repayment, equal to the total amount paid to Grant PUD without interest, if any, for the Network Upgrades, as payments are made to Grant PUD for Non-Usage sensitive portion of payments made for transmission services with respect to the Generating Facility. Such repayment will occur by applying billing credits on Customer's bill for use of the Grant PUD Transmission System. Customer may assign such repayment rights to any person.

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

If the Generating Facility fails to achieve Commercial Operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Grant PUD shall at that time reimburse Customer for the amounts advanced for the Network Upgrades. Such payment to Customer shall occur only after payment is received by Grant PUD from the Generating Facility that makes use of the Network Upgrades. The payments must be for Non-Usage sensitive portion of payments made for transmission services to Grant PUD for use of Grant PUD's Transmission System with respect to the later constructed Generating Facility. Before any such reimbursement can occur,

Customer is responsible for identifying the entity to which reimbursement must be made.

If the Generating Facility fails to achieve Commercial Operation, and neither it nor any other Generating Facility is constructed and makes use of the Network Upgrades, any balance remaining for cash paid by Customer for Network Upgrades shall be set to zero and thus be forfeited by Customer 20 years after the Effective Date of this Agreement.

11.4.2 Special Provisions for Affected Systems. Unless Grant PUD provides, under the Agreement, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Customer to the Affected System Operator as well as the repayment by the Affected System Operator. Grant PUD shall have no obligation to effectuate an agreement between Customer and Affected System Operator.

11.5 Provision of Security. At least 30 Calendar Days prior to the commencement of the design, procurement, installation, or construction of a Grant PUD's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Customer shall provide to Grant PUD, at Customer's option, a guarantee, letter of credit or other form of security that is acceptable to Grant PUD and is consistent with the Uniform Commercial Code of the jurisdiction identified in Section 14.2.1. Such security for payment, as specified in Appendix B of this Agreement, shall be in an amount equal to 100% of the costs for designing, procuring, constructing, and installing the applicable portion of Grant PUD's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Grant PUD for these purposes. Grant PUD must use the LGIA Deposit as required in Section 11.3 of the LGIP before requiring Customer to submit security in addition to that LGIA Deposit. Grant PUD must specify, in Appendix B of this Agreement, the dates for which Customer must provide additional security for construction of each discrete portion of Grant PUD's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and Customer must provide such additional security.

In addition:

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

11.5.2 The letter of credit must be issued by a financial institution acceptable to Grant PUD and must specify a reasonable expiration date.

11.6 Customer Compensation. If Grant PUD requests or directs Customer to provide a service pursuant to Section 13.4.1 of this Agreement, Grant PUD shall compensate Customer in accordance with Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. There shall be no compensation if there is no applicable rate schedule then in effect.

12. Invoice

12.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding period, unless otherwise specified elsewhere in this Agreement. Each invoice shall state the time period to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this 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 Design, Procurement, and Construction Costs. Customer shall reimburse Grant PUD for actual costs incurred, including but not limited to contracted labor and consulting costs, Grant PUD labor costs, material, equipment, applicable overheads, permits, and applicable taxes, for the design, procurement, and construction of Grant PUD's Interconnection Facilities and Network Upgrades. Customer agrees to the estimated costs and payment schedule specified in Appendix B, Milestones.

Within six months after completion of the construction of Grant PUD's Interconnection Facilities and the Network Upgrades, Grant PUD shall perform a true up to determine the actual cost of the design, procurement, and construction of Grant PUD's Interconnection Facilities and the Network Upgrades and shall provide documentation of such costs to Customer in sufficient detail to enable Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Any remaining amount due to Grant PUD, or refunds owed by Grant PUD, will be payable within 30 days following the completion of the true-up.

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

12.4 Late Payment. Interest shall be applied and accrue on past due balances until paid in accordance with Grant PUD's Customer Service Policy.

12.5 Disputes. In the event of a billing dispute between Grant PUD and Customer, Grant PUD shall continue to provide Interconnection Service under this Agreement as long as Customer: (i) continues to make all payments not in dispute; and (ii) pays to Grant PUD or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Customer fails to meet these two requirements for continuation of service, then Grant PUD may provide notice to Customer of a Default pursuant to Section 17. Within 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 in accordance with Grant PUD's Customer Service Policy.

13. Emergencies

- 13.1 Obligations.** Each Party shall comply with the Emergency Condition procedures of the applicable Reliability Coordinator, ISO/RTO, the Electric Reliability Organization, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.
- 13.2 Notice.** Grant PUD shall notify Customer promptly when it becomes aware of an Emergency Condition that affects Grant PUD's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Customer's operation of the Generating Facility or Customer's Interconnection Facilities. Customer shall notify Grant PUD promptly when it becomes aware of an Emergency Condition that affects the Generating Facility or Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Grant PUD's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Customer's or Grant PUD's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.
- 13.3 Immediate Action.** Unless, in Customer's reasonable judgment, immediate action is required, Customer shall obtain the consent of Grant PUD, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Generating Facility or Customer's Interconnection Facilities in response to an Emergency Condition either declared by Grant PUD or otherwise regarding the Transmission System.

13.4 Grant PUD Authority

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

Grant PUD shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Generating Facility or Customer's Interconnection Facilities. Grant PUD 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 Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Generating Facility; implementing a reduction or disconnection pursuant to Section 13.4.2; directing Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Generating Facility and Customer's Interconnection Facilities. Customer shall comply with all of Grant PUD'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. Grant PUD may Curtail Interconnection Service or disconnect the Generating Facility or Customer's Interconnection Facilities, when such, Curtailment or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Grant PUD pursuant to Grant PUD's Tariff. When Grant PUD can schedule the Curtailment or disconnection in advance, Grant PUD shall notify Customer of the reasons, timing and expected duration of the Curtailment or disconnection. Grant PUD shall coordinate with Customer using Good Utility Practice to schedule the Curtailment or disconnection during periods of least impact to Customer and Grant PUD. Any Curtailment 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 Customer Authority. Consistent with Good Utility Practice, this Agreement and Grant PUD's business practices, Customer may take actions or inactions with regard to the Generating Facility or 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 Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Grant PUD's Interconnection Facilities. Grant PUD shall use Reasonable Efforts to assist Customer in such actions.

13.6 Limited Liability. Except as otherwise provided in Section 11.6 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 Good Utility Practice.

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

14.2 Governing Law

14.2.1 The validity, interpretation and performance of this Agreement and each of its provisions shall be governed by the laws of the State of Washington, without regard to its conflicts of law principles. Venue of any action filed to enforce or interpret the provisions of this Agreement shall be exclusively in the Superior Court, County of Grant, State of Washington or the Federal District Court for

the Eastern District of Washington at Grant PUD's sole option. In the event of litigation to enforce the provisions of this Agreement, the prevailing party shall be entitled to reasonable legal fees in addition to any other relief allowed.

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

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

14.3 Agreement to Cooperate. The Parties shall reasonably cooperate when one of the Parties is subject to a regulatory inquiry or audit by NERC or WECC or their replacement organizations and the subject of the inquiry or audit is affected by the interconnection between the two Parties.

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

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

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

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone 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 Sections 9 and 10.

16. Force Majeure

16.1 Economic hardship is not considered a Force Majeure event.

16.2 Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Section 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this section shall be confirmed in writing

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

17. Default

- 17.1 General.** No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this Agreement or the result of an act of omission of the other Party. Upon a Breach, the non-Breaching Party shall give written notice of such Breach to the Breaching Party. Except as provided in Section 17.2, the Breaching Party shall have 30 Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within 30 Calendar Days, the Breaching Party shall commence such cure within 30 Calendar Days after notice and continuously and diligently complete such cure within 90 Calendar Days (or such longer period as the Parties may mutually agree) from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.
- 17.2 Right to Terminate.** If a Breach is not cured as provided in this section, or if a Breach is not capable of being cured within the period provided for herein, the non-Breaching Party shall have the right to declare a Default and terminate this 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 Breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this section shall survive termination of this Agreement.
- 17.3 Violation of Operating Assumptions for Generating Facilities.** If Grant PUD requires Customer to memorialize the operating assumptions for the charging behavior of a Generating Facility that includes at least one electric storage resource in Appendix H of this Agreement, Grant PUD may consider Customer to be in Breach of this Agreement if Customer fails to operate the Generating Facility in accordance with those operating assumptions for charging behavior. However, if Customer operates contrary to the operating assumptions for charging behavior specified in Appendix H of this Agreement at the direction of Grant PUD, Grant PUD shall not consider Customer in Breach of this Agreement.

18. Indemnity, Consequential Damages, and Insurance

- 18.1 Indemnity.** To the extent provided by law, a Party (the “Indemnifying Party”) shall at all times indemnify, defend, and hold the other Party, its Affiliates, and their owners, directors, officers, employees, and agents (collectively, the “Indemnified Party”) harmless from, any and all damages, Losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Indemnifying Party's action or inaction in the performance of its obligations under this Agreement, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

- 18.1.1 Indemnified Person.** If an Indemnified Party is entitled to indemnification under this Section 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Section 18.1, to assume the defense of such claim, such Indemnified Party may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 18.1.2 Indemnifying Party.** If an Indemnifying Party is obligated to indemnify and hold any Indemnified Party harmless under this Section 18, the amount owing to the Indemnified Party shall be the amount of such Indemnified Party's actual Loss, net of any insurance or other recovery.
- 18.1.3 Indemnity Procedures.** Promptly after receipt by an Indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Section 18.1 may apply, the Indemnified Party shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

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

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

- 18.2 Consequential Damages.** In no event shall either Party be liable under any provision of this Agreement for any Losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to Loss of profit or revenue, Loss of the use of equipment, cost of capital, cost of temporary equipment or

services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement shall not be considered to be special, indirect, incidental, or consequential damages hereunder.

18.3 Insurance.

18.3.1 Prior to the commencement of any work under this Agreement, and at all times during the term of this Agreement, Customer shall obtain and maintain continuously, at its own expense a policy, or policies of insurance with insurance companies rated A- VII or better by A.M. Best, as enumerated below. Any deductible, self-insured retention or coverage via captive \$25,000 or above must be disclosed and is subject to approval by Grant PUD's Risk Manager. The cost of any claim payments falling within the deductible or self-insured retention shall be the responsibility of Customer and not recoverable under any part of this Agreement.

Customer Required Insurance

1. **General Liability Insurance:** Commercial general liability insurance, covering all operations by or on behalf of Customer against claims for bodily injury (including death) and property damage (including loss of use). Such insurance shall provide coverage for:

- a. Premises and operations;
- b. Products and completed operations;
- c. Contractual liability;
- d. Personal injury liability (with deletion of the exclusion for liability assumed under Agreement);
- e. Pollution liability (sudden and accidental) (or provided on a standalone basis);
- f. Such insurance shall not exclude coverage for action-over liability claims; and
- g. Such insurance shall not exclude coverage for explosion (X), collapse (C) and underground hazards (U).

with the following **minimum limits:**

- h. \$1,000,000 each occurrence
- i. \$1,000,000 personal injury liability
- j. \$2,000,000 general aggregate (per project)
- k. \$2,000,000 products and completed operations aggregate

Commercial general liability insurance will include Grant PUD as additional insured on a primary and non-contributory basis for ongoing and completed operations. A waiver of subrogation shall apply in favor of Grant PUD.

2. **Workers' Compensation and Stop Gap Employers Liability:** Workers' compensation insurance as required by law for all employees. Employer's liability insurance, including occupational disease coverage, in the amount of **\$1,000,000 for each accident, each employee, and policy limit.** Customer expressly agrees to comply with all provisions of the workers' compensation laws of the states or countries where the work is being performed, including the provisions of Title 51 of the Revised Code of Washington for all work occurring in the state of Washington.

If there is an exposure of injury or illness under the U.S. Longshore and Harbor Workers (USL&H) Act, Jones Act, or under U.S. laws, regulations or statutes applicable to maritime employees, coverage shall be included for such injuries or claims. Such coverage shall include USL&H and/or maritime employer's liability (MEL).

3. **Automobile Liability Insurance:** Automobile liability insurance against claims of bodily injury (including death) and property damage (including loss of use) covering all owned, rented, leased, non-owned, and hired vehicles used in the performance of the work, with a **minimum limit of \$1,000,000 per accident** for bodily injury and property damage combined and containing appropriate uninsured motorist and No-Fault insurance provision, when applicable.

Automobile liability insurance will include Grant PUD as additional insured on a primary and non-contributory basis. A waiver of subrogation shall apply in favor of Grant PUD.

4. **Excess Insurance:** Excess (or umbrella) liability insurance with a **minimum limit of \$20,000,000 per occurrence and in the aggregate when combined with underlying primary limits.** This insurance shall provide coverage in excess of the underlying primary liability limits, terms, and conditions for each category of liability insurance in the foregoing subsections 1, 2 and 3. If this insurance is written on a claims-made policy form, then the policy shall be endorsed to include an automatic extended reporting period of at least five years.

Excess/umbrella liability insurance will include Grant PUD as additional insured on a primary and non-contributory basis. A waiver of subrogation shall apply in favor of Grant PUD.

- 18.3.2 Evidence of Insurance -** Within 10 days following execution of this Agreement, Customer shall file with Grant PUD a certificate of insurance showing the insuring companies, policy numbers, effective dates, limits of liability and deductibles with a copy of the endorsement naming Grant PUD as an additional insured for each policy where indicated in Section 18.3.1.

Failure of Grant PUD to demand such certificate or other evidence of compliance with these insurance requirements or failure of Grant PUD to identify a deficiency from the provided evidence shall not be construed as a waiver of Customer's obligation to maintain such insurance. Acceptance by Grant PUD of any certificate or other evidence of compliance does not constitute approval or agreement by Grant PUD that the insurance requirements have been met or that the policies shown in the certificates or other evidence are in compliance with the requirements.

Grant PUD shall have the right but not the obligation of prohibiting Customer, or a subcontractor, from entering the project site or from energizing and transmitting power onto Grant PUD's Transmission System until such certificates or other evidence of insurance has been provided in full compliance with these requirements. If Customer fails to maintain insurance as set forth above, Grant PUD may purchase such insurance at Customer's expense. Customer's failure to maintain the required insurance may result in termination of this Contract at Grant PUD's option.

18.3.3 Subcontractors - Customer shall ensure that each subcontractor maintain insurance as commercially reasonable in accordance with the power generation industry and based on their scope of work. Upon request, Customer shall furnish Grant PUD with copies of certificates of insurance evidencing coverage for each subcontractor.

18.3.4 Cancellation of Insurance - Customer shall not cause any insurance policy to be canceled or permit any policy to lapse. Insurance companies or Customer shall provide 30 days advance written notice to Grant PUD for cancellation or any material change in coverage or condition, and 10 days advance written notice for cancellation due to non-payment. Should Customer receive any notice of cancellation or notice of nonrenewal from its insurer(s), Customer shall provide immediate notice to Grant PUD no later than two days following receipt of such notice from the insurer. Notice to Grant PUD shall be delivered by mail or email.

19. Assignment

This Agreement may be assigned by either Party only with the written consent of the other; provided that either Party may assign this Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, as determined at the time of such assignment; and provided further that Customer shall have the right to assign this Agreement, without the consent of Grant PUD, for collateral security purposes to aid in providing financing for the Generating Facility, provided that Customer shall promptly notify Grant PUD of any such assignment. Any financing arrangement entered into by Customer pursuant to this section shall 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 shall notify Grant PUD of the date and particulars of any such exercise of assignment right(s), including providing Grant PUD with proof that it meets the requirements of Sections 11.5 and 18.3. Any attempted assignment that violates this section is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment shall not be unreasonably withheld, conditioned or delayed.

20. 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.

21. Comparability

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

22. Confidentiality

22.1 Confidentiality. Confidential Information shall include, without limitation, all information designated as Critical Energy/Electric Infrastructure (CEII) Information, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of an LGIA.

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

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Section warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

Each Party agrees that it will not disclose to third parties (except as expressly set forth herein), without the written consent of the other Party, any information developed or obtained in connection with the performance of this Agreement, and, if requested by the other Party, to require its employees and subcontractors, if any, to execute a non-disclosure agreement prior to performing any services under this Agreement.

If either Party is subject to the Washington Public Records Act, Chapter 42.56 RCW ("PRA"), and a disclosure of Confidential Information is required to be made pursuant to the PRA, such disclosure shall not be deemed a violation of this Section 22.1, provided that the Party receiving the request has, so far as it is lawful and practical to do so prior to such disclosure: (a) promptly notified the other Party in writing of such, request, order, or requirement; (b) provided a reasonable opportunity for the other Party to seek an appropriate protective order; and (c) cooperated with other Party to narrow the scope of such disclosure to only that portion of the Confidential Information that is necessary to fulfill the request.

22.1.1 Term. 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 Section 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the

receiving Party or Breach of this Agreement; or (6) is required, in accordance with Section 22.1.7 of this Agreement, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

- 22.1.3 Release of Confidential Information.** Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates, subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Customer, or to potential purchasers or assignees of 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 Section 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 22.
- 22.1.4 Rights.** Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.
- 22.1.5 No Warranties.** By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.
- 22.1.6 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.
- 22.1.7 Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall use reasonable efforts to provide the other Party with notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use

Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

- 22.1.8 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 Section 22.1. 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 Section 22.1, 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 be deemed an exclusive remedy for the Breach of this Section 22.1. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 22.1.
- 22.1.9 Termination of Agreement.** Upon termination of this Agreement for any reason, each Party shall, within 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. Notwithstanding the foregoing, a receiving Party may retain one copy of Confidential Information to the extent (i) necessary to comply with applicable law or bona fide document retention policies or (ii) backed up on relevant servers or electronic devices, provided that any Confidential Information so retained shall remain subject to the confidentiality obligations hereof.
- 22.1.10 Disclosure to FERC, its Staff, or a State.** Notwithstanding anything in this Section 22 to the contrary, and pursuant to 18 C.F.R § 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R § 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 C.F.R § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.
- 22.1.11** Subject to the exception in Section 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this Agreement ("Confidential Information") shall not be disclosed by the other

Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this Agreement or as a transmission provider or a Balancing Authority Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

23. Environmental Releases

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

24. Information Requirements

24.1 Information Acquisition. Grant PUD and Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Grant PUD. The initial information submission by Grant PUD shall occur no later than 180 Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Grant PUD shall provide Customer a status report on the construction and installation of Grant PUD's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Customer. The updated information submission by Customer, including manufacturer information, shall occur no later than 180 Calendar Days prior to the Trial Operation. Customer shall submit a completed copy of the Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Grant PUD necessary for the Cluster Study

and Interconnection Facilities Study. Information in this submission shall be the most current Generating Facility design or expected performance data. All models used for analysis must come from the WECC approved model list.

If Customer's model or model parameters are materially different from what was originally provided to Grant PUD pursuant to an Interconnection Study agreement between Grant PUD and Customer, then Customer shall supply the updated model or model parameters to Grant PUD in order for Grant PUD to determine the impact on Grant PUD Transmission System based on the updated modeling submitted pursuant to this Section 24.3. Customer shall not begin Trial Operation until any updates to the models are accepted by Grant PUD.

- 24.4 Information Supplementation.** Prior to the Operation Date, the Parties shall supplement their information submissions described above in this Section 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. 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 (if applicable) (1) Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Customer shall provide validated test recordings showing the responses of 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 Grant PUD for each individual generating unit in a station.

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

25. Information Access and Audit Rights

- 25.1 Information Access.** Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this 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 25.1 and to enforce their rights under this Agreement.

- 25.2 Reporting of Non-Force Majeure Events.** Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the

provisions of this 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, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this section shall not entitle the Party receiving such notification to allege a cause for anticipatory Breach of this Agreement.

25.3 Audit Rights. Subject to the requirements of confidentiality under Section 22 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 obligations under this Agreement. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Grant PUD's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Grant PUD'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 to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this Agreement. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Section 25.4.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, and construction of Grant PUD's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of 24 months following Grant PUD's issuance of a final invoice in accordance with Section 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to either Party's performance or satisfaction of all obligations under this Agreement other than those described in Section 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be 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 24 months after the event for which the audit is sought.

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

26. Subcontractors

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

Party shall remain primarily liable to the other Party for the performance of such subcontractor.

- 26.2 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 (i) in no event shall Grant PUD be liable for the actions or inactions of Customer or its subcontractors with respect to obligations of Customer under Section 5 of this Agreement and (ii) in no event shall Customer be liable for the actions or inactions of Grant PUD or its subcontractors with respect to obligations of Grant PUD under Section 5 of this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.
- 26.3 No Limitation by Insurance.** The obligations under this Section 26 shall not be limited in any way by any limitation of subcontractor's insurance.

27. Disputes

- 27.1 Submission.** In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement or its performance, such 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 30 Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Agreement.
- 27.2 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 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 20 Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 27, the terms of this Section 27 shall prevail.
- 27.3 Arbitration Decisions.** Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within 90 Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only

to interpret and apply the provisions of this Agreement and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator will also be filed with FERC, if applicable.

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

28. Representations, Warranties, and Covenants

- 28.1 General.** Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this 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.

28.1.2 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 and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 No Conflict. The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

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

29. Joint Operating Committee

29.1 Joint Operating Committee. Except in the case of an ISO or RTO forming in the Northwest which may eliminate this requirement, Grant PUD shall institute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six months prior to the expected Initial Synchronization Date, Customer and Grant PUD shall each appoint at least one representative to the Joint Operating Committee. Each Party shall be responsible for the costs associated with its own participation in, or attendance at meetings of, the Joint Operating Committee. Grant PUD shall appoint the chairperson and secretary to develop meeting agendas and facilitate discussion. Each Customer shall notify Grant PUD 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 no less than annually, as determined by the chairperson to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this 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. The duties of the Joint Operating Committee shall include the following:

- 29.1.1** Establish data requirements and operating record requirements. If, after best efforts, agreement cannot be reached on data requirements and/or operating record requirements, Grant PUD shall have the option of unilaterally determining these requirements.
- 29.1.2** Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software, and make recommendations for acquisition of equipment and/or implementation of procedures.
- 29.1.3** Annually review the one (1) year forecast of maintenance and planned outage schedules of Grant PUD's and Customer's facilities at the Point of Interconnection.
- 29.1.4** 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.
- 29.1.5** Ensure that accurate and timely information is being provided by each Party regarding equipment availability.
- 29.1.6** Perform such other duties as may be conferred upon it by mutual agreement of the Parties.
- 29.1.7** Maintain a list of appropriate contacts for each Party.

30. Miscellaneous

30.1 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.

- 30.2 Conflicts.** In the event of a conflict between the body of this Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.
- 30.3 Rules of Interpretation.** This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Section or Appendix means such Section of this Agreement or such Appendix to this Agreement, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Section or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".
- 30.4 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.
- 30.5 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.
- 30.6 Waiver.** The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement shall not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or Default of this Agreement for any reason by Customer shall not constitute a waiver of Customer's legal rights to obtain an interconnection from Grant PUD. Any waiver of this Agreement shall, if requested, be provided in writing.

- 30.7 Headings.** The descriptive headings of the various Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 30.8 Multiple Counterparts.** The Parties may execute this Agreement, and any modification to the Agreement that is required to be executed, in any number of counterparts and through electronic signature. Each counterpart and electronic signature will be deemed an original and all counterparts will constitute one agreement binding on both Parties.
- 30.9 Modification by the Parties.** The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by the Parties. Such amendment shall become effective upon the last signature date, unless otherwise specified in the amendment, and a part of this Agreement upon satisfaction of all Applicable Laws and Regulations.
- 30.10 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 act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.
- 30.11 Incorporation by Reference.** Issues not addressed in this Agreement or that require further clarification may be addressed in the Grant PUD Interconnection Technical Requirements, as amended or its successor, which are hereby incorporated by reference and may be amended from time to time.

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.

Public Utility District No. 2
of Grant County, Washington

[CounterpartyTitle3]

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

Appendix A – Interconnection Facilities, Network Upgrades, and Distribution Upgrades

1. **Interconnection Facilities**
 - 1.1 Customer's Interconnection Facilities: .
 - 1.2 Grant PUD's Interconnection Facilities:
2. **Network Upgrades.** Network upgrades include:
3. **Distribution Upgrades.**
4. **Predicate Facilities.**
5. **Point of Interconnection.**
6. **Point of Change of Ownership.**
7. **One-Line Diagram.** See Figure 1 in Exhibit 1 to Appendix B.

Appendix B - Milestones

The total estimated cost for the design, procurement, construction, and installation of Grant PUD’s Interconnection Facilities is \$ _____.*. This amount shall be used by the Customer to provide financial security in accordance with Section 11.5. Quarterly payments of \$ ____ will be billed on the first day of the quarter following estimated depletion date of deposit(s) received.

* ____% of the total estimated cost is Direct Assigned and ____% of the total estimated cost is Network Upgrades. Transmission Credits per Section 11.4 will be based on final actual costs for Network Upgrades based on the percentage of costs assigned to Network Upgrades.

Site Control

Check box if applicable []

Customer with qualifying regulatory limitations must demonstrate 100% Site Control by {Grant PUD to insert date 180 days from the effective date of this Agreement} or the Agreement may be terminated per Section 17 (Default) of this Agreement and the Customer may be subject to Withdrawal Penalties per Section 3.7.1.1 of Grant PUD’s LGIP (Calculation of the Withdrawal Penalty).

The table below provides estimated dates of completion. Such dates will be monitored and managed through the project management process and are subject to change.

Activity ID	Activity Name	Estimated Date
LMI-1001	Customer executes Interconnection Agreement w/ deposit equal to 20% of Interconnection Customer’s estimated Network Upgrade costs (\$ ____ X ____%) minus the total amount of Commercial Readiness Deposits that Interconnection Customer has provided to Transmission Provider for its Interconnection Request.(\$____) (\$____)	Start
LMI-1001.1	Demonstrates 100% Site Control (Article 5.3.3) Site Control may be demonstrated by documentation establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold site of sufficient size to construct and operate the Generating Facility for such purpose; or (3) any other documentation that clearly demonstrates the right of Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility.	
LMI-1002	Customer completes their requirements specified in Article 5.3	Within 1 Month of LMI-1001 completion
LMI-1002.1	Provide written authorization of design and procurement (Article 5.3.2)	
LMI-1002.2	Posts security equal to 100% of costs for designing, procuring, constructing, and installing applicable Grant PUD Facilities (Article 5.3.4)	
LMI-1002.3	Provides certificate of insurance (Article 5.3.5)	

Activity ID	Activity Name	Estimated Date
LMI-1003	Customer provides required design information: (final one line diagram, site plan, protection scheme, etc.). Note: Design modifications to the Customer's Generating Facility after this date requiring updates to Grant PUD's network model may result in a minimum of three months added to all future milestones.	Within 1 Month of LMI-1001 completion
LMI-1003.1	Customer shall provide a detailed short circuit model of the Generating Facility. This model must be constructed using the ASPEN OneLine short circuit simulation program and contain all individual electrical components of the Generating Facility.	
LMI-1004	Grant PUD determines land requirements for Grant PUD Interconnect Facilities	Within 3 Months of LMI-1002 & 1003 completion
LMI-1005	Customer submits 30% level design drawings	Within 3 Months of LMI-1002 & 1003 completion
LMI-1006	Customer establishes retail account with Grant PUD and applies for retail service	Within 4 Months of LMI-1002 & 1003 completion
LMI-1007	Customer begins initial quarterly payments in ____ equal installments of \$_____	Due EOM of first month of calculated Calendar Qtr. after Start
LMI-1008	Grant PUD completes preliminary design and develops equipment specifications (60% completion)	Within 4 Months of LMI-1005 completion
LMI-1009	Customer submits final issue for construction drawings to Grant PUD	Within 9 ½ Months of LMI-1005 completion
LMI-1010	Grant PUD completes engineering design and commences procurement process for Grant PUD's Interconnection Facilities and Network Upgrades. Note: By mutual agreement, equipment procurement may commence sooner to mitigate supply chain constraint risks with construction bid process	Within 7 Months of LMI-1008 completion
LMI-1011	Customer completes their requirements specified in Article 5.4 - Construction Commencement	Within 7 ½ Months of LMI-1009 completion
LMI-1011.1	Customer demonstrates approval of appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval (Article 5.4.1)	
LMI-1011.2	Customer conveys required real property rights, ROW and/or easements for construction of Grant PUD's Interconnection Facilities and Network Upgrades. (Article 5.4.2)	
LMI-1011.3	Customer submits written authorization to proceed with construction from Customer (Article 5.4.3)	

Activity ID	Activity Name	Estimated Date
LMI-1012	Grant PUD obtains required Permits for construction of Interconnection Facilities and Network Upgrades.	Within 18 1/2 months of completion of LMI-1011
LMI-1013	Grant PUD commences construction	Within 1 week of completion of LMI-1012. *Target Date MM/DD/YY.
LMI-1014	Grant PUD completes construction (including commissioning activity) Grant PUD Interconnection Facility Switchyard Energization / Turnover	Within 11 ½ Months of completion of LMI-1013
LMI-1015	Customer completes necessary construction of Customer's Interconnection	*Target Date MM/DD/YY
LMI-1016	Customer performs Trial Operation, including Initial Synchronization and Gen Testing	Within 1 Month of completion of LMI-1015
LMI-1017	Customer demonstrates that they have submitted entity registration requests for all applicable entities.	Within 3 Months of completion of LMI-1015
LMI-1018	Commercial Operation Date	Within 3 Months of completion of LMI-1016
LMI-1019	Customer provides updated power flow and dynamic modelling data for any equipment changes not included in initial studies	Upon COD
LMI-1020	Customer provides Grant PUD with drawings, documents, and information specified in Article 5.8.	Within 1 Month of COD

Exhibit 1 to Appendix B - Scope of Work

1. Interconnection Facilities. The following outlines the design, procurement, construction, installation, and ownership of equipment at the Customer's Interconnection Facilities.
 - 1.1 Customer Responsibilities
 - Procure all necessary permits, lands, rights of way and easements required for the construction and continued maintenance of the Customer's Interconnection Facilities.
 - Design, procure, construct, own and maintain the Customer's Interconnection Facilities.
 - 1.2 Grant PUD Responsibilities
2. Other. The following outlines the design, procurement, construction, installation, and ownership of Grant PUD equipment past the Point of Interconnection.

Appendix C – Interconnection Details

1. Description of Generating Facility

2. Use of Facilities (UOF) Charge

Grant PUD will develop a UOF charge that applies to the Grant PUD facilities that are solely dedicated to serving the Generating Facility. This UOF charge will be included in this Appendix C. Grant PUD may update the UOF charge at any time with 60 days' notice provided to Customer.

Initially, the UOF will include ____% of all costs to operate and maintain the switchyard constructed to interconnect Customer's Generating Facility to the Grant PUD system and any facilities between the switchyard and the Point of Change of Ownership. The percentage of costs included in the UOF will be updated as appropriate when modifications are made to the switchyard.

Grant PUD will invoice Customer monthly for the UOF.

3. Service Provided to Customer when Generating Facility is Offline

Customer shall make all appropriate arrangements to take delivery any power required for the Generating Facility that is not self-provided. Any power that flows to Customer at the Point of Interconnection for auxiliary loads shall be accounted for under a separate retail service arrangement between Grant PUD and Customer. No power flowing to Customer at the Point of Interconnection may be netted against power flowing to Grant PUD at any time other than that of the delivery to the Customer. At Grant PUD's discretion and for practical reasons, Grant PUD may choose to allow Customer to net retail sales against Customer's power production. Power supplied to a storage device will be according to the terms of the applicable Grant PUD business practice.

4. Station Service

Station service will be obtained by Customer separate from this Agreement and when provided by Grant PUD will be governed by Grant PUD customer service policies for retail service.

5. Requirements that must be met by Customer prior to initiating parallel operation with Grant PUD's Transmission System or Distribution System

Grant PUD and Customer shall test and verify that its respective Interconnection Facilities, Generation Facility and Network Upgrades have passed requirements for safe and reliable operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Customer shall generate test energy at the Generating Facility only at which time it has arranged for the delivery of such test energy. Test energy received by Grant PUD shall not be subject to compensation by Grant PUD to Customer.

6. Control Technologies and Protection Systems

7. Metering Requirements

Appendix D – Security Arrangement Details

Infrastructure security of Transmission System equipment including operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC requires entities such as Grant PUD, Generation Owners, Generation Operators and others, interconnected to the Transmission System to comply with established physical and cyber-security reliability standards including all applicable CIP Standards of the Electric Reliability Organization and any other best practice recommendations from the Electric Reliability Organization, the Regional Reliability Organization (currently WECC) and/or Reliability Coordinator (currently RC West).

Appendix E – Commercial Operation Date

This Appendix E is part of the LGIA between Grant PUD and Customer.

[Date]

Re: _____ Generating Facility, Interconnection Agreement No. [ContractNo4]

Dear _____:

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

Thank you.

[Signature]

[Customer Representative]

Appendix F – Addresses for Delivery of Notices and Billing

Notices:

Grant PUD	Customer
Public Utility District No. 2 of Grant County, Washington Attn: Transmission Services Manager PO Box 878 Ephrata, WA 98823 With a copy to: Public Utility District No. 2 of Grant County, Washington Attn: General Counsel PO Box 878 Ephrata, WA 98823	Full Legal Name of Counterparty Attn: Address Address With a copy to:

Billings and Payments:

Grant PUD
Payments will be made via electronic funds transfer to: Public Utility District No. 2 of Grant County, Washington PO Box 878 Ephrata, WA 98823 Email remittance notices to: RemittanceGroup@gcpud.org

Customer

Alternative Forms of Delivery of Notices (telephone and email):

Grant PUD	Customer
Transmission Services Manager (509) 754-5088 TransmissionServices@gcpud.org General Counsel (509) 754-5088 legal@gcpud.org	

Appendix G – Interconnection Requirements for a Wind Generating Plant

{This Appendix G will be left blank for Generating Facilities that are not wind plants and may be updated as necessary based on current practices at the time the LGIA is developed for a specific application}

Appendix G sets forth requirements and provisions specific to a wind generating plant or a Generating Facility that contains a wind generating plant. All other requirements of this Agreement continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below

LVRT Standard

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

ii. Power Factor Design Criteria (Reactive Power)

A wind generating plant shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this Agreement. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by Grant PUD, or a combination of the two. 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 Cluster Study shows this to be required for system safety or reliability.

iii. Supervisory Control and Data Acquisition (SCADA) Capability

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Grant PUD to protect system reliability. Grant PUD and 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.

Appendix H – Generating Facility Data and Performance Requirements

{Section 1.1 below only applies to a solar generation plant and will be modified for other types of generation as appropriate.}

1. Variable Energy Resource and forced usage data per Section 8.4 in the LGIA

1.1 **Real Time Data:** Customer will supply the following Real Time Data to Grant PUD. This list of data will be updated as needed per Section 8.4.

- Solar irradiance in the front-side plane-of-array (POA) (W/m²)
- Solar irradiance in the back-side plane-of-array (POA) (W/m²)
- Solar irradiance in the horizontal plane (GHI) (W/m²)
- Wind speed (m/s) and direction (°)
- Ambient air temperature (°C)
- Back of Module temperature (°C)
- Precipitation (mm)
- Barometric Pressure (hPa)
- Relative Humidity (%)
- For cold climates or as required by Owner, snow depth sensor (cm)
- Diffuse Horizontal Irradiance (DHI) (W/m²)
- Albedometer (%)
- Plant DC generation (MW)
- Plant AC generation (MW and MVar)
- Plant online status (indicating if plant is online)
- State of charge of energy storage (need to indicate units)
- Energy storage DC charging load (MW)
- Energy storage DC discharge (MW)
- Energy storage AC charging load (MW)
- Energy storage AC discharge (MW)

1.2 **Generation Forecast:** If requested by Grant PUD, Customer will supply Grant PUD with a forecast of generation, including the charging and discharging of a storage resource, for the Generating Facility with an hourly time stamp for the proceeding 168 hours. This forecast will be updated on an hourly basis.

1.3 **Forced outage data:** Customer will supply data to Grant PUD with Customer's best estimate for forced outages as requested by Grant PUD for the Generation Facility. This data will be updated no more than annually if requested by Grant PUD.

2. **Operating requirements per Section 9.4.** Additional requirements may be specified in the Agreement.

2.1 All NERC requirements and guidelines that apply to Customer based on Customer's functional entity registrations and facilities.

2.2 Applicable Grant PUD documents and standards

- Switching and Clearance Procedures
- System Restoration Plan
- Grant PUD Interconnection Technical Requirements
- Any additional outage request timelines as implemented by Grant PUD

2.3 NERC standards and associated guidelines governing IBRs

2.4 Emergency Condition procedures as referenced in Section 13.1

3. **Other Data**

Operational and design data regarding the Generating Facility that Grant PUD is required to provide to FERC, NERC, WECC, or other governing authorities.

4. **Battery storage operating range to allow for frequency response per Section 9.6.4.4**

Minimum state of charge: xx%

Maximum state of charge: xx%

<Additional information per Section 9.6.4.4>