

INTERCONNECTION SYSTEM IMPACT STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ___ day of _____, 2011 by and between [Customer] a [corporation/limited liability company] organized and existing under the laws of the State of [State] (“Interconnection Customer”), and the U.S. Department of Energy, acting by and through the Bonneville Power Administration (“Transmission Provider”). Interconnection Customer and Transmission Provider each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer on [Date], and entered into the Interconnection Queue as Request No. G0xxx; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System;

WHEREAS, Transmission Provider has completed an Interconnection Feasibility Study (the “Feasibility Study”) and provided the results of said study to Interconnection Customer; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform an Interconnection System Impact Study to assess the impact of interconnecting the Large Generating Facility to the Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider’s FERC-approved Large Generation Interconnection Procedures (LGIP).
- 2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Interconnection System Impact Study consistent with Section 7.0 of the LGIP in accordance with the Tariff.
- 3.0 The scope of the Interconnection System Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study and the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 4.4 of the LGIP. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility

Practice during the course of the Interconnection Customer System Impact Study. If Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the Interconnection System Impact Study may be extended.

- 5.0 The Interconnection System Impact Study report shall provide the following information:
- 5.1 identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - 5.2 identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - 5.3 identification of any instability or inadequately damped response to system disturbances resulting from the interconnection; and
 - 5.4 description and non-binding, good faith estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit, instability, and power flow issues.
- 6.0 Interconnection Customer shall provide a deposit of \$50,000 for the performance of the Interconnection System Impact Study. Transmission Provider's good faith estimate for the time of completion of the Interconnection System Impact Study is 90 days after the Transmission Provider receives this executed Agreement from the Interconnection Customer.

Upon receipt of the Interconnection System Impact Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection System Impact Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

- 7.0 Miscellaneous.
- 7.1 *Governing Law, Regulatory Authority, and Rules:* The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by Federal law. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.
 - 7.2 *Amendment:* The Parties may amend this Agreement by a written instrument duly executed by both Parties.

- 7.3 *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.
- 7.4 *Waiver*
- 7.4.1 The failure of a Party to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- 7.4.2 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 Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any requested waiver of this Agreement shall be provided in writing.
- 7.5 *Multiple Counterparts:* This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 7.6 *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.
- 7.7 *Severability:* If, for any reason, any provision or portion of this Agreement is held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.
- 7.8 *Subcontractors:* 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.

7.8.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under 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.

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

7.9 *Assignment:* Article 19 of Transmission Provider's Standard Large Generator Interconnection Agreement is incorporated into and made applicable to this Agreement.

7.10 *Representations, Warranties and Covenants:* Article 28 of Transmission Provider's Standard Large Generator Interconnection Agreement is incorporated into and made applicable to this Agreement.

7.11 Attachment A, Assumptions Used in Conducting the Interconnection System Impact Study, is incorporated into this Agreement.

7.12 Attachment B, Financial Terms and Conditions, is incorporated into this Agreement.

7.13 Attachment C, Contacts, is incorporated into this Agreement. Either Party may revise their contact information by written notice to the other Party.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

BONNEVILLE POWER ADMINISTRATION

By: _____
Name/Title: (AE)
Transmission Account Executive
Date: _____

[CUSTOMER NAME]

By: _____
Name/Title: _____
Date: _____

Attachment A

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

The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study Report and the conclusions of the Interconnection Feasibility Study Report Meeting held between the Transmission Provider and Interconnection Customer on [Date], subject to any modifications in accordance with Section 4.4 of the LGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied:
[Primary POI].

Designation of alternative Point(s) of Interconnection and configuration:
Not Applicable.

Attachment B

**FINANCIAL TERMS AND CONDITIONS FOR THE
INTERCONNECTION SYSTEM IMPACT STUDY**

The cost of performing the study by the Transmission Provider at the Interconnection Customer's expense shall be the actual cost of doing the work specified in this Agreement, plus an overhead rate of xx% for labor and yy% for materials, representing the indirect costs of the study office plus the contractual support costs of contract negotiation, billing and accounting functions, and contract management.

Interconnection Customer shall advance the \$50,000 deposit, the estimated study cost, to Transmission Provider who will place such advance in an account established for this Agreement, in accordance with Section 6 of this Agreement.

If the Transmission Provider needs additional funds to complete the work at any time during performance of the study, Transmission Provider may request, in writing, for Interconnection Customer to advance such additional funds to the Transmission Provider for deposit in the account. Interconnection Customer shall advance such additional funds within 30 days of Transmission Provider's written request, and Transmission Provider may temporarily stop work until Interconnection Customer supplies the requested funds. If Interconnection Customer does not advance such additional funds by the due date or, if at any time before completion of the study Interconnection Customer elects to stop work under this Agreement, Transmission Provider will cease all work and restore, as a cost to the study at Interconnection Customer's expense, government facilities and/or records 1) to their condition prior to work under this Agreement, or 2) to some other mutually agreeable condition.

Within a reasonable time after completion of the study Transmission Provider shall make a full accounting to Interconnection Customer showing the actual costs charged against the account. Transmission Provider shall either remit any unexpended balance in the account to Interconnection Customer at the Interconnection Customer's request, or hold any unexpended funds to offset the costs of future studies, or bill for any costs in excess of the deposits in the account. Interconnection Customer shall pay any excess costs within 30 days of the billing.

Payments not received within 30 days of the invoice date will accrue interest on the amount due from the invoice date to the date paid, at the appropriate rate calculated in accordance with the methodology specified for interest on refunds in the Federal Energy Regulatory Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii).

Attachment C

CONTACTS

The Parties agree that any revision to this Attachment C shall be made by written notice to the other Party.

[CUSTOMER NAME]

Administrative Contact: [Contact Name]
[Title]
Phone: (xxx) xxx-xxxx
E-mail: _____

Technical Contact: [Contact Name]
[Title]
Phone: (xxx) xxx-xxxx
E-mail: _____

Billing Address:

BONNEVILLE POWER ADMINISTRATION

Administrative Contact: (AE)
Transmission Account Executive
Phone: (360) 619-60xx
E-mail: _____

Technical Contact: [CSE]
Customer Service Engineer
Phone: (360) 619-xxxx
E-mail: _____

LGIP Administrator: Nick Peck
Phone: (360) 619-6419
E-mail: cnpeck@bpa.gov

Mailing Address: U.S. Department of Energy
Bonneville Power Administration
ATTN: LGIP Administrator - TPC/TPP-4
P.O. Box 61409
Vancouver, WA 98666