



# IID

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**Via E-Mail**

July 14, 2014

Ms. Daune Kirrene  
Infrastructure Contracts and Management  
California Independent System Operator Corporation  
250 Outcropping Way  
Folsom, CA 95630

Subject: **Application of the Imperial Irrigation District to Become a Participating Transmission Owner and Draft Transmission Owner Tariff**

Dear Ms. Kirrene,

Pursuant to the requirements set forth in Section 4.3 of the California Independent System Operator Corporation ("CAISO") Tariff and Section 2.2 of the Transmission Control Agreement, the Imperial Irrigation District ("IID") respectfully submits its application to become a Participating Transmission Owner with respect to certain Regional Transmission Facilities ("Application"), described further in the attached Application. IID's draft Transmission Owner Tariff is also included in this submission. It is IID's intent to become a Participating Transmission Owner effective May 15, 2015.

If there are any questions relating to this Application, please contact Ms. Jamie Asbury of IID at (760) 482-3379.

Sincerely,

Carl D. Stills  
Energy Manager  
IMPERIAL IRRIGATION DISTRICT

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Roni Reese (CAISO)  
Judith Sanders (CAISO)  
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**IMPERIAL IRRIGATION DISTRICT**  
**APPLICATION FOR**  
**PARTICIPATING TRANSMISSION OWNER STATUS**

**JULY 14, 2014**

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## **Application of the Imperial Irrigation District to the California Independent System Operator Corporation to Become an Approved Project Sponsor Participating Transmission Owner**

July 14, 2014

In accordance with Section 4.3.1.1 of the California Independent System Operator Corporation (CAISO) Tariff and Section 2.2.1 of the Transmission Control Agreement (TCA), the Imperial Irrigation District (IID) respectfully submits its application to become a Participating Transmission Owner (Application) with respect to certain 230 kilovolt (kV) facilities described more particularly herein. While these specified facilities will be turned over to the Operational Control of the CAISO and will be part of the CAISO Balancing Authority Area, IID will remain the Balancing Authority for all other IID facilities and will be solely responsible for the service and planning for IID customers.

In December of 2012, the CAISO initiated an accelerated competitive solicitation process conducted for a policy-driven 230 kV transmission line (S2S Line) and collector station (Liebert Switching Station) in the Imperial Valley area, referred to as the “Imperial Valley Policy Element” (Imperial Valley Element), to which IID responded.<sup>1</sup> The CAISO determined the Imperial Valley Element was needed to support renewable generation in the Imperial Valley area to help meet California’s requirement that 33% of utility resource portfolios come from renewable generation by 2020.<sup>2</sup> In July of 2013, IID was selected as the Approved Project Sponsor to finance, own, construct, operate and maintain the Imperial Valley Element.<sup>3</sup> As part of this selection process, IID agreed to a binding cost cap for the Imperial Valley Element of \$14,283,122.<sup>4</sup>

After extensive discussions and negotiations with the CAISO, IID and the CAISO entered into an Approved Project Sponsor Agreement (APSA), dated March 10, 2014, which establishes the relationship between IID and CAISO until the Imperial Valley Element is constructed and placed under the Operational Control of the CAISO. A copy of the APSA is provided as Attachment 1 to this Application. On May 23 2014, the CAISO filed the APSA with the Federal Energy Regulatory Commission (FERC),<sup>5</sup> and it is currently pending their approval.

IID is an irrigation district duly organized and existing under the California Water Code, with the power to, among other things, provide irrigation and electric service within its geographic boundaries that cover Imperial Valley and a part of Coachella Valley.

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<sup>1</sup> [http://www.caiso.com/Documents/2012\\_2013TransmissionPlanningProcessCompetitiveSolicitation-Open.htm](http://www.caiso.com/Documents/2012_2013TransmissionPlanningProcessCompetitiveSolicitation-Open.htm)

<sup>2</sup> See “Proposed Policy-Driven Elements in Imperial Valley Area with Capital Costs of Less Than \$50 Million,” November 20, 2012, at 3,

[http://www.caiso.com/Documents/ImperialValleyAreaProposedPolicyDrivenElementsNov20\\_2012.pdf](http://www.caiso.com/Documents/ImperialValleyAreaProposedPolicyDrivenElementsNov20_2012.pdf)

(Note: other conventions have been used to identify this project, including the “IV Policy Element.” In discussions with the CAISO, it was decided to refer to the project as the “Imperial Valley Element,” since this was the most recent reference used by the CAISO in its filing of the Approved Project Sponsor Agreement, discussed *infra*.)

<sup>3</sup> See “Imperial Valley Policy Element Project Sponsor Selection Report,”

[http://www.caiso.com/Documents/ImperialValleyPolicyElement-ProjectSponsorSelectionReport\\_Jul11\\_2013.pdf](http://www.caiso.com/Documents/ImperialValleyPolicyElement-ProjectSponsorSelectionReport_Jul11_2013.pdf)

<sup>4</sup> *Id.* at 19. See also *infra*, Section 9.

<sup>5</sup> *California Independent System Operator Corporation Filing of CAISO Service Agreement No. 3008*, Docket No. ER14-2033-000, [http://www.caiso.com/Documents/May23\\_2014\\_APSA\\_ImperialIrrigationDistrict\\_ER14-2033.pdf](http://www.caiso.com/Documents/May23_2014_APSA_ImperialIrrigationDistrict_ER14-2033.pdf).

IID owns, operates and maintains electric generation, over 1,670 miles of transmission, and 4,348 miles of overhead and underground distribution facilities. IID provides electric power to more than 145,000 customers in the Imperial Valley and parts of Riverside and San Diego counties and controls more than 1,100 megawatts (MW) of energy derived from a diverse resource portfolio that includes its own generation and long- and short-term power purchases.

IID operates its own balancing authority area within the Western Electricity Coordination Council (WECC) and schedules resources through its own control desk. IID controls its own resources, serves and balances its native load for native customers within its metered boundaries.

IID's transmission system is interconnected with the Western Area Power Administration (WAPA) 161 kV system near Blythe, California, and Southern California Edison (SCE) at the Mirage 230 kV substation at the northwest corner of the IID service area. IID's other major interconnections are with the transmission systems of WAPA and Arizona Public Service Corporation in the vicinity of IID's Pilot Knob Substation. IID also has a 230 kV interconnection with San Diego Gas and Electric Company (SDG&E) at the Imperial Valley Substation (IV Substation), and low-capacity, normal-open lines to SDG&E and to SCE at the western and northern edge of the IID's service area.

IID is developing a new point of interconnection with CAISO via the bus tie that will connect IID-owned and operated Fern Switching Station and IID-owned/CAISO-operated Liebert Switching Station, located approximately one mile north of Imperial Valley Substation. The Imperial Valley Element, which comprises the Liebert Switching Station (Liebert) and the 230 kV S2S transmission line that connects Liebert to the IV Substation will become network facilities that will be turned over to CAISO Operational Control once IID's existing S-Line is looped in to Fern Switching Station, as depicted in Exhibit 1.

## **1. Description of IID's Transmission Lines and Facilities**

IID is in the process of developing and constructing the Imperial Valley Element, which consists of a 230 kV collector station, known as the Liebert Switching Station, and the 230 kV S2S Line, a second circuit on the existing 1.4 mile 230kV Campo Verde to Imperial Valley (CVIV) Line.<sup>6</sup> Upon completion and energization, expected in May of 2015, these facilities will be transferred to CAISO Operational Control in accordance with the terms of the APSA,<sup>7</sup> the CAISO Tariff and the TCA. The CVIV Line, a gen-tie, currently runs from Campo Verde Substation, owned by Southern Company, to the IV Substation, jointly owned by SDG&E and IID. Ownership of the CVIV line and associated rights of way are in the process of being transferred to IID, in accordance with the Campo Verde Gen-Tie agreement. IID will modify the CVIV Line by creating the Campo Verde to Liebert (CVLI) Line, the 230 kV gen-tie line which will connect the Campo Verde facilities to Liebert, and the S2S line, which will connect Liebert and the IV Substation. One fiber optic line will connect Campo Verde to Liebert and another will connect Liebert to the IV Substation.

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<sup>6</sup> The CVIV Line is defined in the "Generation Tie-Line Construction, Ownership, and Operation Agreement," between Campo Verde Solar, LLC and IID, executed on April 11, 2013 (Gen-Tie Agreement) as the 230 kV gen-tie line from the Project Substation (Campo Verde Substation) to the IV Substation, including the CVIV OPGW.

<sup>7</sup> IID will turn the facilities over to the Operational Control of the CAISO on the Commercial Operation Date, as that term is defined in Article 1 of the APSA.

IID's 230 kV S-Line (renamed S1N Line) will be routed into IID's adjacent Fern Switching Station (Fern). Upon exiting Fern, IID's S-Line will occupy the western circuit on the former CVIV Line (renamed S1S). IID will retain operational control of the S1N Line, Fern, and the S1S Line. Liebert and the S2S Line will become network facilities via the bus tie between Fern and Liebert. The CVLI Line will remain a Gen-Tie between Campo Verde Substation and Liebert. The conversion and cutover described above is illustrated in Exhibit 2 to this Application.

Liebert was to be initially built as a two bay double-bus, double-breaker switching station configuration and prepared for a final twelve bay breaker-and-a-half bus configuration upon final build-out (future). However, the addition of a fifth breaker to support the transfer of the existing interconnection of the existing Campo Verde solar facility from the IV Substation to Liebert changes the initial design to a two bay breaker-and-a-half minimum configuration. Liebert will become a network facility via the bus tie with IID's adjacent Fern Switching Station, since IID's S-Line will be interconnected to Fern. Ownership of the property on which Liebert will be built is in the process of being transferred to IID, in accordance with the terms of the Gen-Tie agreement with Campo Verde.

These facilities are planned to be completed and transferred to CAISO Operational Control by mid-2015.<sup>8</sup> A general map of these facilities is attached as Exhibit 3 to this Application. For purposes of confidentiality, IID has provided a one-line diagram of these facilities to the CAISO in a separate document.

## **2. Description of IID's Transmission Entitlements**

There are no IID Transmission Entitlements associated the Imperial Valley Element described in Section 1. IID will own all of the Approved Project Facilities being placed under the Operational Control of the CAISO.

## **3. Encumbrances**

The facilities associated with the Imperial Valley Element described in Section 1 are new and not subject to any Encumbrances.

## **4. Transmission Lines and Facilities to be placed under CAISO Operational Control**

IID plans to place the facilities described in Section 1 under the Operational Control of the CAISO.

## **5. Local Reliability Criteria**

There are no Local Reliability Criteria applicable to the Imperial Valley Element facilities being placed under the Operational Control of the CAISO. IID shall comply with all Reliability Standards and reliability criteria established by the North American Electric Reliability Corporation (NERC) and WECC and approved by FERC.

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<sup>8</sup> Imperial Valley Element project Milestones are set forth in Appendix B of the APSA.

**6. Maintenance Practices**

IID’s current maintenance practices conform to all NERC and WECC maintenance practices. All of the facilities placed under the Operational Control of the CAISO will be maintained in accordance with Section 14 of the Transmission Control Agreement.

**7. Temporary Waivers**

IID is not seeking any Temporary Waivers.

**8. Proposed Transmission Owner (TO) Tariff**

A draft of IID’s TO Tariff is attached as Appendix C. Upon approval of the IID Board, IID will file the final draft of its TO Tariff, including its Transmission Revenue Requirement (TRR), with the Federal Energy Regulatory Commission (FERC) under the FERC’s rules and procedures for non-jurisdictional rate filings.

**9. IID Transmission Revenue Requirement**

IID will file its TRR as part of the non-jurisdictional filing as noted in Section 8 above.

Additionally, as set forth in Appendix E of the IID-CAISO Approved Project Sponsor Agreement, IID has agreed to a binding cost cap of \$14,283,122 for the facilities described in Section 1. A copy of the APSA is provided as Attachment 1 to this Application.

**10. Address and Contact Names**

<p>Jamie Asbury  Imperial Irrigation District  333 E. Barioni Blvd.  P.O. Box 937  Imperial, CA 92215  (760) 482-3379  <a href="mailto:jasbury@iid.com">jasbury@iid.com</a></p>	<p>Kevin Smith  Braun Blaising McLaughlin &amp; Smith, P.C  915 L Street, Suite 1270  Sacramento, CA 95814  (916) 326-5849 (phone)  <a href="mailto:smith@braunlegal.com">smith@braunlegal.com</a></p>
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**11. Settlement Account**

For purposes of confidentiality, IID will provide information to the CAISO regarding settlement accounts in a separate document.

**12. IID’s Monthly MWh Demands**

IID has no demands associated with the Imperial Valley Element facilities described in Section 1. The purpose of the project is to deliver renewable energy resources to CAISO customers.



### **13. Instructions for Encumbrances and Entitlements**

For reasons described in Section 2 and Section 3 herein, there are no instructions for Encumbrances and/or Entitlements.

### **14. List of Supporting Agreements and Exhibits**

Attachment 1: Approved Project Sponsor Agreement between IID and CAISO

Exhibit 1: Imperial Valley Element Diagram

Exhibit 2: Imperial Valley Element Cutover

Exhibit 3: General Location Map

**Appendix A**

**IMPERIAL IRRIGATION DISTRICT  
TRANSMISSION SERVICE ENTITLEMENTS**

Point of Receipt-Delivery	Parties	Direction	Contract Title	FERC No.	Contract Termination	Contract Amount
NONE						

**Appendix B**

**IMPERIAL IRRIGATION DISTRICT  
TRANSMISSION SERVICE ENCUMBRANCES**

<u>Point of Receipt-Delivery</u>	<u>Parties</u>	<u>Direction</u>	<u>Contract Title</u>	<u>FERC No.</u>	<u>Contract Start Date</u>	<u>Contract Termination</u>	<u>Contract Amount</u>
NONE							

## **Appendix C**

### **IID Draft TO Tariff**

*DRAFT*

**IMPERIAL IRRIGATION DISTRICT  
TRANSMISSION OWNER TARIFF**

**JULY 14, 2014**

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1. **Preamble.** Imperial Irrigation District (“IID”) is an Approved Project Sponsor Participating Transmission Owner (“TO”) in the California Independent System Operator (“CAISO”) solely with respect to the Regional Transmission Facilities it has placed under the CAISO’s Operational Control to be operated as part of the CAISO Controlled Grid. This Transmission Owner Tariff (“TO Tariff”) sets forth IID’s Transmission Revenue Requirement (“TRR”) for such Regional Transmission Facilities and certain terms and conditions relating to transmission expansion of and interconnections to those Regional Transmission Facilities.

Service over, expansion of, and interconnections to all other IID transmission facilities and all IID distribution facilities are not governed by either this TO Tariff or the CAISO Tariff. Rather, service over, expansion of, and interconnections to all other IID transmission facilities and all IID distribution facilities are governed by either IID’s Open Access Transmission Tariff or IID’s retail tariffs for its retail customers.

For the purpose of this TO Tariff, IID is a Non-Load Serving Participating TO because it serves no End-Use Customers within the CAISO’s Balancing Authority Area.

2. **Effective Date.** This TO Tariff shall become effective when:

- 2.1 IID becomes a Participating TO; and
- 2.2 FERC has made this TO Tariff effective with no material modification or condition unacceptable to the Participating TO.

Once effective, this TO Tariff shall continue to be effective for as long as IID is a party to the Transmission Control Agreement (“TCA”).

3. **TO Tariff Definitions.** Capitalized terms used in this TO Tariff shall have the meanings set out below unless otherwise stated. Capitalized terms used in this TO Tariff and not defined below shall have the meanings set out in the CAISO Tariff, as it may be amended from time to time.

- 3.1 **Affected System.** An electric system, other than the CAISO Controlled Grid, that may be affected by a proposed generator or transmission interconnection, including IID’s transmission and distribution facilities that have not been placed under the CAISO’s Operational Control.
- 3.2 **Applicable Reliability Criteria.** The Reliability Standards and reliability criteria established by NERC, WECC or Peak Reliability, and Local Reliability Criteria, as amended from time to time.
- 3.3 **Approved Project Sponsor.** The person or entity designated under the CAISO Tariff to construct, finance and own transmission additions or upgrades.
- 3.4 **Base Transmission Revenue Requirement.** The Transmission Revenue Requirement which does not reflect amounts for the Transmission Revenue

Balancing Account Adjustment.

- 3.5 Business Day.** Monday through Friday, excluding federal holidays and the day after Thanksgiving Day.
- 3.6 CAISO ADR Procedures.** The procedures for resolution of disputes or differences set out in Section 13 of the CAISO Tariff.
- 3.7 CAISO Tariff.** The California Independent System Operator Corporation Operating Agreement and Tariff, dated March 31, 1997, as it has been and may be modified from time to time.
- 3.8 Completed Application Date.** The date on which an eligible applicant submits an Interconnection Application that satisfies the requirements of a Completed Interconnection Application.
- 3.9 Completed Interconnection Application.** An application that satisfies all of the information and other requirements of Section 9.3 of this TO Tariff, and, if applicable, the information requirements as specified by the CAISO and posted on the CAISO Home Page.
- 3.10 Delivery Network Upgrades.** Transmission Facilities at or beyond the Point of Interconnection, other than Reliability Network Upgrades, identified in Interconnection studies to relieve Transmission Constraints on the CAISO Controlled Grid.
- 3.11 Direct Assignment Facilities.** Facilities or portions of facilities that are owned by the Participating TO necessary to physically and electrically interconnect a particular party requesting Interconnection under this TO Tariff to the CAISO Controlled Grid at the point of interconnection. Direct Assignment Facilities shall be specified in the Interconnection Agreement that governs Interconnection service to such party.
- 3.12 Distribution System.** The distribution assets of an Investor Owned Utility or Local Publicly Owned Electric Utility.
- 3.13 Eligible Customer.** (1) Any utility (including Participating TOs, Market Participants, Project Sponsors, and any power marketer), Federal power marketing agency, or any person generating Energy for sale or resale; Energy sold or produced by such entity may be Energy produced in the United States, Canada or Mexico; however, such entity is not eligible for transmission service that would be prohibited by Section 212(h)(2) of the Federal Power Act; and (2) any retail customer taking unbundled transmission service pursuant to a state retail access program or pursuant to a voluntary offer of unbundled retail transmission service by the Participating TO.
- 3.14 Encumbrance.** A legal restriction or covenant binding on the Participating TO that affects the operation of any transmission lines or associated facilities and which the CAISO needs to take into account in exercising Operational Control over such transmission lines or associated facilities if the Participating TO is not to risk incurring significant liability. Encumbrances shall include Existing Contracts and may include: (1) other local restrictions or covenants meeting the definition of Encumbrance and arising under other arrangements entered into before the CAISO

Operations Date, if any; and (2) legal restrictions or covenants meeting the definition of Encumbrance and arising under a contract or other arrangement entered into after the CAISO Operations Date.

- 3.15 End-Use Customer or End-User.** A consumer of electric power who consumes such power to satisfy a Load directly connected to the CAISO Controlled Grid or to a Distribution System and who does not resell the power.
- 3.16 Facility Study Agreement.** An agreement between a Participating TO and either a Market Participant, Project Sponsor, or identified principal beneficiaries pursuant to which the Market Participant, Project Sponsor, and identified principal beneficiaries agree to reimburse the Participating TO for the cost of a Facility Study.
- 3.17 Facility Study.** An engineering study conducted by a Participating TO to determine required modifications to the Participating TO's transmission system, including the cost and scheduled completion date for such modifications that will be required to provide needed services. For purposes of this TO Tariff, the Facility Study will determine any required modifications to the CAISO Controlled Grid as well as IID's Affected System, including the cost and scheduled completion date for such modifications that will be required to provide needed services.
- 3.18 FERC.** The Federal Energy Regulatory Commission or its successor.
- 3.19 Generating Unit.** An individual electric generator and its associated plant and apparatus whose electrical output is capable of being separately identified and metered or a Physical Scheduling Plant that, in either case, is: (a) located within the CAISO Balancing Authority Area (which includes a Pseudo-Tie of a generating unit to the CAISO Balancing Authority Area); (b) connected to the CAISO Controlled Grid, either directly or via interconnected transmission, or distribution facilities or via a Pseudo-Tie; and (c) capable of producing and delivering net Energy (Energy in excess of a generating station's internal power requirements).
- 3.20 Generation.** Energy delivered from a Generating Unit.
- 3.21 Good Utility Practice.** Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility 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 any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).
- 3.22 Imperial Valley Element.** The Regional Transmission Facilities IID placed under the CAISO's Operational Control pursuant to the terms of the TCA, including a transmission line, collector substation, and related equipment.
- 3.23 Interconnection.** Transmission facilities, other than additions or replacements to existing facilities that: i) connect one system to another system where the facilities emerge from one and only one substation of the two systems and are functionally

separate from the CAISO Controlled Grid facilities such that the facilities are, or can be, operated and planned as a single facility; or ii) are identified as radial transmission lines pursuant to contract; or iii) produce Generation at a single point on the CAISO Controlled Grid; provided that such interconnection does not include facilities that, if not owned by the Participating TO, would result in a reduction in the CAISO's Operational Control of the Participating TO's portion of the CAISO Controlled Grid.

- 3.24 Interconnection Agreement.** A contract between a party requesting Interconnection and the Participating TO that owns the transmission facility with which the requesting party wishes to interconnect.
- 3.25 Interconnection Application.** An application that requests Interconnection to the CAISO Controlled Grid.
- 3.26 Interconnection Handbook.** The handbook developed by the Participating TO and posted on the Participating TO's web site or otherwise made available by the Participating TO, describing technical and operational requirements for wholesale Generating Units and Loads connected to the Participating TO's portion of the CAISO Controlled Grid, as such handbook may be modified or superseded from time to time. In the event of a conflict between the terms of this TO Tariff and the terms of the Interconnection Handbook, the terms of the TO Tariff shall apply.
- 3.27 Load.** An end-use device of an End-Use Customer that consumes Power. Load should not be confused with Demand, which is the measure of Power that a Load receives or requires.
- 3.28 Local Publicly Owned Electric Utility.** A municipality or municipal corporation operating as a public utility furnishing electric services, a municipal utility district furnishing electric services, a public utility district furnishing electric services, an irrigation district furnishing electric services, a state agency or subdivision furnishing electric services, a rural cooperative furnishing electric services, or a Joint Powers Authority that includes one or more of these agencies and that owns Generation or transmission facilities, or furnishes electric services over its own or its members' electric Distribution System.
- 3.29 Local Regulatory Authority.** The state or local governmental authority or board of directors responsible for the regulation or oversight of a utility. For purposes of this IID TO Tariff, the Local Regulatory Authority is the IID Board of Directors publicly elected by voters.
- 3.30 Local Reliability Criteria.** Reliability criteria unique to the transmission systems of each of the Participating TOs established at the later of: (1) CAISO Operations Date, or (2) the date upon which a new Participating TO places its facilities under the control of the CAISO.
- 3.31 Market Participant.** An entity, including a Scheduling Coordinator, who either: (1) participates in the CAISO Markets through the buying, selling, transmission, or distribution of Energy, capacity, or Ancillary Services into, out of, or through the CAISO Controlled Grid; (2) is a CRR Holder or Candidate CRR Holder, or (3) is a Convergence Bidding Entity.
- 3.32 NERC.** The North American Electric Reliability Corporation or its successor.

- 3.33 Non-Load-Serving Participating TO.** A Participating TO that (1) is not a UDC, MSS Operator or Scheduling Coordinator serving End-Use Customers and (2) does not have Gross Load in accordance with Section 9 of Schedule 3 of Appendix F of the CAISO Tariff.
- 3.34 Participating TO or Participating Transmission Owner.** A Party to the Transmission Control Agreement whose application under Section 2.2 of the Transmission Control Agreement has been accepted and who has placed transmission assets and Entitlements under the CAISO's Operational Control in accordance with the Transmission Control Agreement. A Participating TO may be an Original Participating TO or a New Participating TO. For purposes of this TO Tariff, IID is a Participating Transmission Owner solely with respect to the Regional Transmission Facilities placed under the CAISO's Operational Control.
- 3.35 Participation Agreement.** An agreement between a Participating TO and a Project Sponsor that specifies the terms and conditions under which the Participating TO will construct a transmission addition or upgrade on behalf of the Project Sponsor.
- 3.36 Peak Reliability.** The entity or its successor responsible for reliability coordination for its participants.
- 3.37 Project Proponent.** A Market Participant or group of Market Participants that: (1) advocates a transmission addition or upgrade; (2) is unwilling to pay the full cost of the proposed transmission addition and upgrade, and thus is not a Project Sponsor; and (3) initiates proceedings under the CAISO ADR Procedures to determine the need for the proposed transmission addition or upgrade.
- 3.38 Project Sponsor.** A Market Participant, group of Market Participants, a Participating TO or a project developer who is not a Market Participant or Participating TO that proposes the construction of a transmission addition or upgrade in accordance with Section 24 of the CAISO Tariff.
- 3.39 Regional Transmission Facility.** A transmission facility that is owned by a Participating TO or to which a Participating TO has an Entitlement that is represented by a Converted Right, that is under the CAISO Operational Control, and that is not (1) a Local Transmission Facility or a Location Constrained Resource Interconnection Facility, and supporting facilities, or (2) a Merchant Transmission Facility.
- 3.40 Regional Transmission Revenue Requirement ("RTRR").** The portion of a Participating TO's or an Approved Project Sponsor's Transmission Revenue Requirement associated with and allocable to: 1) the Participating TO's Regional Transmission Facilities and Converted Rights associated with Regional Transmission Facilities, 2) the CAISO's assigned share of Interregional Transmission Project costs, and 3) Location Constrained Resource Interconnection Facilities that are under the CAISO Operational Control or Transmission Facilities not yet in operation, but approved under Section 24 of the CAISO tariff and assigned to the Approved Project Sponsor, that will be Regional Transmission Facilities or, in the case of an Approved Project Sponsor that is not a Participating Transmission Owner, Local Transmission Facilities when placed under the CAISO's Operational Control.

- 3.41 Reliability Network Upgrades.** The transmission facilities at or beyond the Point of Interconnection identified in the Interconnection Studies as necessary to interconnect one or more Generating Facility(ies) safely and reliably to the CAISO Controlled Grid, which would not have been necessary but for the interconnection of one or more Generating Facility(ies), including Network Upgrades necessary to remedy short circuit or stability problems, or thermal overloads. Reliability Network Upgrades shall only be deemed necessary for system operating limits, occurring under any system condition, which system operating limits cannot be adequately mitigated through Congestion Management, Operating Procedures, or Special Protection Systems based on the characteristics of the Generating Facilities included in the Interconnection Studies, limitations on market models, systems, or information, or other factors specifically identified in the Interconnection Studies. Reliability Network Upgrades also include, consistent with WECC practice, the facilities necessary to mitigate any adverse impact the Generating Facility's or Transmission Facility's interconnection may have on a path's WECC rating.
- 3.42 System Impact Study.** An engineering study conducted to determine whether a request for Interconnection to the CAISO Controlled Grid would require new transmission additions, upgrades, or other mitigation measures. For purposes of this TO Tariff, the System Impact Study will determine whether the request for Interconnection to the CAISO Controlled Grid would require new transmission additions, upgrades, or other mitigation measures on the CAISO Controlled Grid as well as IID's Affected System.
- 3.43 System Impact Study Agreement.** An agreement between a Participating TO and an entity that has requested Interconnection to the Participating TO's Regional Transmission Facility pursuant to which the entity requesting Interconnection agrees to reimburse the Participating TO for the cost of performing or reviewing a System Impact Study.
- 3.44 TO Tariff.** This Transmission Owner Tariff, as may be amended or superseded.
- 3.45 Transmission Control Agreement ("TCA").** The agreement between the CAISO and Participating TOs establishing the terms and conditions under which TOs will become Participating TOs and how the CAISO and each Participating TO will discharge its respective duties and responsibilities, as may be modified from time to time.
- 3.46 Transmission Owner ("TO").** An entity owning transmission facilities or having firm contractual rights to use transmission facilities. For purposes of this TO Tariff, IID is a Transmission Owner of the Regional Transmission Facilities placed under the CAISO's Operational Control.
- 3.47 Transmission Revenue Balancing Account Adjustment ("TRBAA").** A mechanism established by a Participating TO or Approved Project Sponsor which will ensure that all Transmission Revenue Credits and other credits specified in Sections 6 and 8 of Appendix F, Schedule 3 of the CAISO Tariff, flow through to transmission customers.
- 3.48 Transmission Revenue Credit.** The proceeds a Participating TO received from the CAISO for Wheeling service, plus (a) the revenues received from any LCRIG

with respect to an LCRIF, unless FERC has approved an alternative mechanism to credit such revenues against the Participating TO's TRR, and (b) the shortfall or surplus resulting from any cost differences between Transmission Losses and Ancillary Service requirements associated with Existing Rights and the CAISO's rules and protocols, minus any Local Access Charge amounts paid for the use of the Local Transmission Facilities of a Non-Load-Serving Participating TO pursuant to Section 26.1 and Appendix F, Schedule 3, Section 13 of the CAISO Tariff.

- 3.49 Transmission Revenue Requirement ("TRR").** The total annual authorized revenue requirements associated with transmission facilities and Entitlements turned over to the Operational Control of the CAISO by the Participating TO. The costs of any transmission facility turned over to the Operational Control of the CAISO shall be fully included in the Participating TO's Transmission Revenue Requirement. The Transmission Revenue Requirement includes the costs of transmission facilities and Entitlements and deducts Transmission Revenue Credits and credits for Standby Transmission Revenue and the expected transmission revenue to be actually received by the Participating TO for Existing Rights and Converted Rights.
- 3.50 Uncontrollable Force.** Any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities or any other cause beyond the reasonable control of the CAISO, IID or other Market Participant which could not be avoided through the exercise of Good Utility Practice.
- 3.51 Western Electricity Coordinating Council ("WECC").** The Western Electricity Coordinating Council or its successor.
- 4. Eligibility.** Transmission service over IID's Regional Transmission Facilities placed under the CAISO's Operational Control shall be provided only to Eligible Customers as defined in the CAISO Tariff. Any dispute as to whether a customer is eligible for wholesale transmission service shall be resolved through the CAISO ADR Procedures or by FERC and any dispute as to whether an End-Use Customer is eligible for service under this TO Tariff shall be resolved by the Local Regulatory Authority.
- 5. Access Charges.** The applicable Access Charges are provided in the CAISO Tariff as may be amended from time to time, including, but not necessarily limited to, the Regional Access Charge and Regional Wheeling Access Charge.
- 5.1 Transmission Revenue Requirement.** As set forth in the CAISO Tariff, the Transmission Revenue Requirement for each Participating TO is used to develop the Access Charges in the CAISO Tariff and used by the CAISO to calculate the disbursement of revenues among Participating TOs. IID's Transmission Revenue Requirement is set forth in Appendix I.
- 5.2 Transmission Revenue Balancing Account Adjustment.** The Participating TO shall maintain a Transmission Revenue Balancing Account with an annual



Transmission Revenue Balancing Account Adjustment that will ensure that all Transmission Revenue Credits and adjustments for any over-or under- recovery of its annual Transmission Revenue Requirement, if any, specified in Appendix F, Schedule 3 of the CAISO Tariff, flow through to transmission customers. The TRBAA used to calculate the Regional Revenue Requirement shall include other adjustments specified in Appendix F, Schedule 3 of the CAISO Tariff. The TRBAA shall be equal to:

$$\text{TRBAA} = \text{Cr} + \text{Cf} + \text{I}$$

Where:

Cr = The balance representing the prior period difference between the projected Transmission Revenue Credits and the actual credits.

Cf = The forecast of Transmission Revenue Credits, if any, for the following calendar year;

I = The interest balance for the TRBA, which shall be calculated using the interest rate pursuant to Section 35.19a of FERC's regulations under the Federal Power Act (18 CFR Section 35.19a). Interest shall be calculated based on the average TRBA principal balance each month, compounded quarterly.

## **6. Billing and Payment.**

**6.1** The CAISO, in accordance with the CAISO Tariff, shall pay to IID, among other things, all applicable Access Charge revenues and Wheeling revenues.

**6.2** Users of the Regional Transmission Facilities placed by IID under the CAISO's Operational Control shall pay to the CAISO all applicable charges in accordance with the CAISO Tariff.

## **7. Obligation to Interconnect or Construct Transmission Expansions and Facility Upgrades.**

**7.1 Participating TO Obligation to Interconnect.** Subject to the conditions below, the Participating TO shall, at the request of a third party, interconnect its transmission facilities which have been placed under the CAISO's Operational Control to the wholesale Generating Unit or Load of such third party, or modify an existing wholesale Interconnection to such transmission facilities. Interconnections under this TO Tariff shall be available to entities eligible to request Interconnection consistent with the provisions of Section 210(a) of the Federal Power Act. The procedures for Interconnection of wholesale Generation to the CAISO Controlled Grid shall be governed by the CAISO Tariff.

**7.1.1 Interconnection to Transmission System.** Interconnection must be consistent with Good Utility Practice, in conformance with all Applicable Reliability

Criteria, all applicable statutes, regulations, and the Interconnection Handbook. The Participating TO will not accommodate the Interconnection if doing so would impair systems reliability, or would otherwise impair the ability of the Participating TO to honor its Encumbrances existing as of the time an entity submits its Interconnection Application. The Participating TO shall identify any such adverse effect on its Encumbrances in the System Impact Study performed pursuant to Section 9.7 of this TO Tariff. To the extent the Participating TO determines that the Interconnection will have an adverse effect on Encumbrances, the party requesting Interconnection shall mitigate such adverse effect.

**7.1.2 Costs Associated with Interconnection.** Each party requesting Interconnection shall pay the costs of planning, installing, owning, operating, and maintaining any Direct Assignment Facilities, any Reliability Network Upgrades and, if necessary, any Delivery Network Upgrades required to provide the requested Interconnection to the CAISO Controlled Grid as well as costs of any upgrades required to IID's Affected System. In addition, such party shall implement all existing operating procedures necessary to safely and reliability interconnect such party's Generation or wholesale Load to the facilities of the Participating TO and to ensure the CAISO Controlled Grid's conformance with the CAISO Grid Planning Criteria, and shall bear all costs of implementing such operating procedures. Any additional costs associated with accommodating the Interconnection shall be allocated in accordance with the cost responsibility methodology set forth in the CAISO Tariff for transmission expansions or upgrades.

**7.1.3 Interconnection Agreement.** Pursuant to Section 9.4, 9.7.1, or 9.9.1 of this TO Tariff, a party requesting an Interconnection shall request in writing that the Participating TO tender to such party an Interconnection Agreement that will be filed with FERC, or the Local Regulatory Authority, in the case of a Local Publicly Owned Electric Utility. The Interconnection Agreement will include, without limitation, cost responsibilities and payment provisions for any engineering, equipment, and construction, ownership, operation and maintenance costs for any Direct Assignment Facilities, any Reliability Network Upgrades, any Delivery Network Upgrades, if applicable, and for any other mitigation measures. The Interconnection Agreement also will include, without limitation, cost responsibilities and payment provisions for any engineering, equipment, and construction, ownership, operation and maintenance costs for any upgrades to IID's Affected System. For an Interconnection request to remain a Completed Interconnection Application, the party requesting the Interconnection shall execute the Interconnection Agreement and return it to the Participating TO within thirty (30) Business Days of receipt. Alternatively, if an Eligible Customer requesting the Interconnection requests the Participating TO to file an unexecuted Interconnection Agreement and commits to abide by the terms, conditions, and cost assignments determined to be just and reasonable under the CAISO ADR Procedures, including any determination by FERC or on appeal of a FERC determination in accordance with that process, the Participating TO shall

promptly file an unexecuted Interconnection Agreement. Provided, however, that if the CAISO ADR Procedures concerns whether the requesting entity is an Eligible Customer, the Participating TO shall not be obligated to file an unexecuted Interconnection Agreement or commence construction of the Interconnection facilities or incur other costs under the Interconnection Agreement until a final order determining the just and reasonable rates, terms, and conditions for such Interconnection Agreement has been issued by the applicable court or regulatory authority. The Interconnection Agreement will set forth a payment schedule that enables the Participating TO to recover its costs. If the applicant elects not to execute the Interconnection Agreement and does not request the Participating TO to file an unexecuted Interconnection Agreement, its Completed Interconnection Agreement shall be deemed withdrawn, and the applicant shall reimburse to the Participating TO all costs reasonably incurred in processing the application not covered by any System Impact Study Agreement or Facility Study Agreement. To maintain its queue position, the applicant must timely comply with the interconnection requirements of the CAISO Tariff, if applicable, and Sections 7 and 9 of this TO Tariff. If the applicant fails to timely comply with such Interconnection requirements, such applicant shall pay the reasonable costs of revising the System Impact Studies for other applicants that have established a new queue position due to the applicant either withdrawing its Interconnection Application or because its queue position has been modified pursuant to the queuing provisions in Section 25 of the CAISO Tariff.

- 7.1.4 Due Diligence to Construct.** Subject to Section 8.2 of this TO Tariff, the participating TO shall use due diligence to construct, within a reasonable time, any Direct Assignment Facilities and any Reliability Network Upgrades to its Regional Transmission Facilities that it is obligated to construct pursuant to this TO Tariff and, as applicable, Section 24 of the CAISO Tariff. The Participating TO's obligation to build will be subject to: (1) its ability, after making a good faith effort, to obtain any necessary approvals and property rights under applicable federal, state, and local laws; (2) the presence of a cost recovery mechanism with cost responsibility assigned to accordance with the CAISO Tariff or applicable FERC precedent; and (3) a signed Interconnection Agreement or, by mutual agreement of the parties, FERC acceptance for filing of an unexecuted Interconnection Agreement.
- 7.1.5 Energization.** The Participating TO shall not be obligated to energize, nor shall the applicant or wholesale Load be entitled to have its interconnection to the CAISO Controlled Grid energized, unless and until an Interconnection Agreement has been executed, or filed at FERC pursuant to Section 7.1.3 of this TO Tariff, and becomes effective and such applicant or wholesale Load has demonstrated to the CAISO's reasonable satisfaction that it has complied with all of the applicable requirements of the CAISO Tariff and the requirements of this TO Tariff and has demonstrated to IID's reasonable satisfaction that impacts on IID's Affected System have been mitigated.
- 7.1.6 Coordination with CAISO on Interconnection Requests.** The Participating

TO shall coordinate with the CAISO, pursuant to the provisions of the TCA, in developing Interconnection standards and guidelines for processing Interconnection requests under this TO Tariff.

**7.2 Participating TO Obligation to Construct Transmission Expansions or Facility Upgrades.** The Participating TO shall be obligated to: (1) perform System Impact or Facility Studies where the Project Sponsor or the CAISO agrees to pay the study cost and specifies the project objectives to be achieved, and (2) build transmission additions and facility upgrades where the Participating TO is obligated to construct or expand facilities in accordance with and subject to the limitations of this TO Tariff and Section 3 of the CAISO Tariff.

**7.2.1 Obligation to Construct.** A Participating TO shall not be obligated to construct or expand transmission facilities or system upgrades unless and until the conditions stated in Section 8.2.1 of this TO Tariff have been satisfied.

**7.3 Request for FERC Deference Regarding Need Determination.** It is intended that FERC grant substantial deference to the factual determinations of the CAISO, (including the CAISO's ADR Procedures), the IID Board of Directors, WECC, or RTG coordinated planning processes as to the need for or construction of a facility, the need for full cost recovery, and the allocation of costs.

## **8. Expansion Process.**

**8.1 Determination of Facilities.** The Participating TO shall perform a Facility Study in accordance with this Section where (1) the Participating TO is obligated to expand its Regional Transmission Facilities in accordance with the CAISO Tariff and this TO Tariff; (2) a Market Participant agrees to pay the costs of the Facility Study and specifies the project objectives to be achieved in terms of increased capacity or reduced congestion; or (3) the Participating TO is required to perform a Facility Study pursuant to the CAISO Tariff.

### **8.1.1 Payment of Facility Study's Cost.**

**8.1.1.1 Market Participant to Pay for Facility Study.** Where a Market Participant requests a Facility Study and the need for the transmission addition or upgrade to the Participating TO's Regional Transmission Facilities has not yet been established in accordance with the procedures established herein and the CAISO Tariff, the Market Participant shall pay the cost of the Facility Study.

**8.1.1.2 Project Sponsor or Project Proponent to Pay for Facility Study.** Where the transmission addition or upgrade to the Participating TO's Regional Transmission Facilities has been determined to be needed in accordance with the procedures established herein, the Project Sponsor, Project Proponent, or the CAISO requesting the study shall pay in advance the reasonable cost of the Facility Study. When the

Participating TO is the Project Sponsor in accordance with the CAISO Tariff, the costs of the Facility Study shall be recovered through the Access Charges and transmission rates.

**8.1.1.3 Principal Beneficiaries to Pay for Facility Study.** Where the transmission addition or upgrade to the Participating TO's Regional Transmission Facilities has been determined to be needed and the principal beneficiaries have been identified by the CAISO or CAISO ADR Procedures in accordance with the CAISO Tariff, the Project Sponsor and the identified principal beneficiaries shall pay the reasonable cost of the Facility Study, in such proportions as may be agreed, or, failing agreement, as determined in accordance with the CAISO ADR Procedures.

**8.1.2 Payment Procedure.** Where a Facility Study is being conducted pursuant to this TO Tariff, the Participating TO shall, within thirty (30) days of the receipt of all reasonably required information, tender to the Market Participant, Project Sponsor, Project Proponent, CAISO, or identified principal beneficiaries, as the case may be, a Facility Study Agreement that defines the scope, content, assumptions, and terms of reference for such study, the estimated time required to complete it, and such other provisions as the parties may reasonably require and pursuant to which such Market Participant, Project Sponsor, Project Proponent, the CAISO, or identified principal beneficiaries agree to reimburse the Participating TO the reasonable cost of performing the required Facility Study. If the Market Participant, Project Sponsor, Project Proponent, the CAISO, or identified principal beneficiaries, as the case may be, agree to the terms of the Facility Study Agreement, they shall execute the Facility Study Agreement and return it to the Participating TO within ten Business Days. If such Market Participant, Project Sponsor, Project Proponent, the CAISO, identified principal beneficiary elects not to execute a Facilities Study Agreement, the Participating TO shall have no obligation to complete a Facilities Study.

**8.1.3 Facility Study Procedures.** Upon receipt of an executed Facility Study Agreement, a copy of which has been provided to the CAISO by the party requesting the Facility Study, the Participating TO will use due diligence to complete the required Facility Study within in accordance with the terms of the Facility Study Agreement.

## **8.2 Obligation to Build.**

**8.2.1 Due Diligence to Construct.** Subject to Section 8.3.3 of this TO Tariff, the Participating TO shall use due diligence to construct, within a reasonable time, additions or upgrades to its Regional Transmission Facilities that it is obligated to construct pursuant to the CAISO Tariff and this TO Tariff. The Participating TO's obligation to build will be subject to: (1) its ability, after making a good faith effort, to obtain the necessary approvals and property rights under

applicable federal, state, and local laws; (2) the presence of a cost recovery mechanism with cost responsibility assigned in accordance with the CAISO Tariff; and (3) a signed Participation Agreement. The Participating TO will not construct or expand the Regional Transmission Facilities, if doing so would impair system reliability of the CAISO Controlled Grid or IID's Affected System as determined through systems analysis based on the Applicable Reliability Criteria.

**8.2.2 Delay in Construction or Expansion.** If any event occurs that will materially affect the time for completion of new facilities or the ability to complete them, the Participating TO shall promptly notify: (1) the Project Sponsor with regard to facilities determined to be needed; (2) the Parties to the Participation Agreement with regard to facilities determined to be needed pursuant to the CAISO Tariff where principal beneficiaries were identified; and (3) the CAISO. In such circumstances, the Participating TO shall, within thirty (30) days of notifying such Project Sponsor, Parties to the Participation Agreement, and the CAISO of such delays, convene a technical meeting with such Project Sponsor, Parties to the Participation Agreement, and the CAISO to discuss the circumstances that have arisen and evaluate any options available. Subject to the execution of an appropriate confidentiality agreement, the Participating TO also shall make available to such Project Sponsor, Parties to the Participation Agreement, and the CAISO, as the case may be, studies and work papers related to the cause and extent of the delay and the Participating TO's ability to complete the new facilities, including all information that is in the possession of the Participating TO that is reasonably needed to evaluate the alternatives.

**8.2.2.1 Alternatives to the Original Facility Additions.** If the review process of Section 8.2.2 of this TO Tariff determines that one or more alternatives exist to the originally planned construction project, the Participating TO shall present such alternatives for consideration to the Project Sponsor, Parties to the Participation Agreement, and the CAISO, as the case may be. If upon review of any alternatives, such Project Sponsor, the CAISO, or Parties to the Participation Agreement wish to evaluate or to proceed with one of the alternative additions or upgrades, such Project Sponsor, the CAISO, or Parties to the Participation Agreement may request that the Participating TO prepare a revised Facility Study pursuant to Sections 8.1.1, 8.1.2, and 8.1.3 of this TO Tariff. In the event the Participating TO concludes that no reasonable alternative exists to the originally planned addition or upgrade and the Project Sponsor or Parties to the Participation Agreement or the CAISO disagree, the dispute shall be resolved pursuant to the CAISO ADR Procedure.

**8.2.2.2 Refund Obligation for Unfinished Facility Additions.** If the Participating TO and the Project Sponsor, the CAISO, or Parties to the Participation Agreement, as the case may be, mutually agree that no other reasonable alternatives exist, the obligation to construct the requested additions or upgrades shall terminate and any deposit not yet

applied toward the expended project costs shall be returned with interest pursuant to FERC Regulation 35.19a(a)(2)(iii). However, the Project Sponsor and any identified principal beneficiaries, as the case may be, shall be responsible for all costs prudently incurred by the Participating TO through the time the construction was suspended.

### **8.3 Provisions Relating To Transmission Construction On Other IID Facilities Or Systems Of Other Entities and Tax-Exempt Financing**

**8.3.1 Responsibility for Third Party Additions.** A Participating TO shall not be responsible for making arrangements for any engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. The Participating TO will undertake reasonable efforts through the coordinated planning process to assist in making such arrangements, including, without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice subject to the execution of an appropriate confidentiality agreement.

**8.3.2 Coordination of Third-Party System Additions.** Where transmission additions or upgrades being built pursuant to the CAISO Tariff require additions or upgrades to facilities other than the IID Regional Transmission Facilities, the Participating TO shall coordinate the construction of additions or upgrades to the Regional Transmission Facilities with the construction required to other IID transmission or distribution facilities or other Affected Systems. The Participating TO, after consultation with the CAISO, the Project Sponsor, and Parties to the Participation Agreement, as the case may be, may defer construction if the other new IID transmission or distribution facilities or facilities on another entity's system cannot be completed in a timely manner. The Participating TO shall notify such Project Sponsor, Parties to the Participation Agreement, and the CAISO, in writing, of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of the additions or upgrades to the Regional Transmission Facilities. Within forty (40) Business Days of receiving written notification by the Participating TO of its intent to defer construction pursuant to this section, such Project Sponsor, Parties to the Participation Agreement, or the CAISO may challenge the decision in accordance with the CAISO ADR Procedure.

**8.3.3. Preservation of Tax Exempt Status, Contractual Restrictions and Covenants.** Nothing in this TO Tariff shall compel the Participating TO to violate any restrictions applicable to facilities financed with tax-exempt bonds or contractual restrictions and covenants regarding the use of its transmission facilities.

**8.3.4 Expansion by "Local Furnishing Participating TO's."** Notwithstanding any other provision of this TO Tariff and to the extent that IID is a Local

Furnishing Participating TO, prior to requesting that such Local Furnishing Participating TO construct upgrades to or expand the Regional Transmission Facilities, or utilize existing facilities, the CAISO or Project Sponsor, if necessary as determined by the Local Furnishing Participating TO, shall tender (or cause to be tendered) an application under Section 211 of the Federal Power Act (“FPA”) requesting FERC to issue an order directing the Local Furnishing Participating TO to construct or expand the Regional Transmission Facilities as necessary to provide Interconnection or transmission service as determined pursuant to the CAISO Tariff.

## 9. Interconnection Process.

**9.1 Applicability.** All requests for Interconnection directly to the Regional Transmission Facilities from parties eligible to request such Interconnection consistent with Section 210(a) of the FPA shall be processed pursuant to the provisions of this Section 9. All requests for Interconnection of wholesale Generation directly to the CAISO Controlled Grid shall be processed pursuant to the provisions of the CAISO Tariff.

**9.2 Applications.** A party requesting Interconnection shall submit a written Interconnection Application that provides the information required in Section 9.3 of this TO Tariff to the Participating TO and shall send a copy of the application to the CAISO. The Participating TO shall timestamp the application to establish study priority.

**9.3 Interconnection Application.** An Interconnection Application shall provide all the information listed in 18 CFR §2.20, including, but not limited to, the following:

(a) the identity, address, telephone number, and facsimile number of the entity requesting interconnection;

(b) the Interconnection point(s) to the CAISO Controlled Grid contemplated by the applicant;

(c) the resultant (or new) maximum amount of Interconnection capacity contemplated by the applicant;

(d) the proposed date for energizing the Interconnection and the term of the Interconnection service;

(e) such other information as the Participating TO reasonably requires to process the application. In addition to the information specified above, the following information may also be provided in order to properly evaluate system conditions:

(f) if the applicant is a wholesale Load, the electrical location of the source of the Power (if known) to be transmitted pursuant to applicant’s request for Interconnection. If the source of the power is not known, a system purchase will be



assumed.

(g) the electrical location of the ultimate Load (if known). If the location of the Load is not known, a system sale will be assumed; and

(g) if an applicant proposes to perform or cause a third party to perform any required System Impact Study or any required Facility Study, it shall so indicate in its Interconnection Application. The results of any study or studies performed by an applicant must be approved by both the CAISO and the Participating TO. Within ten (10) Business Days after receipt of an Interconnection Application, the Participating TO and the CAISO if applicable shall determine whether the application is complete (“Completed Interconnection Application”). Whenever possible, the participating TO will attempt to remedy deficiencies in the Interconnection Application through informal communications with the applicant. If such efforts are unsuccessful, the Participating TO shall return the Interconnection Application to the applicant. The Participating TO will treat the information in the Interconnection Agreement, including the applicant’s identity, as confidential at the request of the applicant except to the extent that disclosure of the information is required by this TO Tariff, state law, regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to RTG or CAISO transmission information sharing agreements. The Participating TO shall treat this information consistent with the standards of conduct contained in Part 37 of FERC’s regulations.

**9.3.1 Amendment to Completed Interconnection Application.** An applicant shall be limited to amending its Completed Interconnection Application only once. Such amendment shall occur on or before ten (10) Business Days following the date the Participating TO tenders any Facility Study Agreement. Specifically, an applicant may submit an amendment to its Completed Interconnection Application to reflect a revised configuration for its new facility. The amended Completed Interconnection Application shall be treated in accordance with Section 25 of the CAISO Tariff and Section 9.5 of this TO Tariff; the applicant’s Completed Interconnection Application shall not be deemed withdrawn; and the applicant shall maintain its existing queue position, if (a) the amended Completed Interconnection Application is received by the Participating TO within ten (10) Business Days of the Participating TO’s tender of a Facility Study Agreement; and (b) the applicant has not submitted a previous amendment to the Completed Interconnection Application. In the event an applicant amends its Completed Interconnection Application, it will be responsible for any additional study costs that result from that amendment, including costs associated with revisions to studies for other applicants holding later queue positions.

**9.4 Review of Completed Interconnection Application.** After receiving a Completed Interconnection Application, the Participating TO and the CAISO, if applicable, will determine on a non-discriminatory basis whether a System Impact Study is required. Whenever the Participating TO, and the CAISO, if applicable,

determines that a System impact Study is not required and that neither Reliability Network Upgrades nor changes in existing operating procedures are required, the Participating TO shall notify the applicant within fifteen (15) Business Days of the Completed Application Date. If the Interconnection can be accommodated without any Direct Assignment Facilities, then within thirty (30) Business Days of such notice from the Participating TO, the applicant shall request the Participating TO to tender to the applicant an Interconnection Agreement within thirty (30) Business Days of such request. The Participating TO shall tender to the applicant an Interconnection Agreement as provided in Section 7.1.3 of this TO Tariff.

- 9.5 Notice of Need for System Impact Study.** If the Participating TO, and the CAISO, if applicable, determines that a System Impact Study is necessary to accommodate the requested Interconnection, the Participating TO shall so inform the applicant, as soon as practicable. In such cases, the Participating TO shall within twenty (20) Business Days of receipt of a Completed Interconnection Application, tender a System Impact Study Agreement that defines the scope, content, assumptions, and terms of reference for such study to be completed by the Participating TO, the estimated time required to complete it, and such other provisions as the parties may reasonably require, and pursuant to which the applicant shall agree to reimburse the Participating TO for the reasonable actual costs of performing the required System Impact Study. A description of the Participating TO's transmission assessment practices for completing a System Impact Study is provided in the Participating TO's FERC Form 715. Alternatively, if the applicant will perform the System Impact Study, the Participating TO shall within twenty (20) Business Days of receipt of a Completed Interconnection Application, tender a System Impact Study Agreement that defines the scope, content, assumptions and terms of reference for such study to be reviewed by the Participating TO; the estimated time required to complete it; and such other provisions as the parties may reasonably require, and pursuant to which the applicant shall agree to reimburse the Participating TO for the reasonable actual costs of reviewing the required System Impact Study. For an Interconnection request to remain a Completed Interconnection Application, the applicant shall execute the System Impact Study Agreement and return it to the Participating TO within ten (10) Business Days together with payment for the reasonable estimated cost of performing the System Impact Study or reviewing the applicant's System Impact Study. Alternatively, if the Applicant requests the Participating TO to proceed with the System Impact Study or review thereof and commits to abide by the terms, conditions, and cost assignments ultimately determined under the CAISO ADR Procedures, including any determination by FERC or appeal of a FERC determination in accordance with that process, the Participating TO shall promptly proceed with the System Impact Study provided that such request is accompanied by payment of the reasonable estimated cost of the System Impact Study, and the parties shall submit the disputed terms for resolution under the CAISO's ADR Procedures. If the applicant elects not to execute a System Impact Study Agreement, and does not request that the Participating TO proceed with the System Impact Study or review thereof, its application shall be deemed withdrawn, and the applicant shall reimburse to the Participating TO all costs reasonably incurred in processing the application.

## **9.6 Impact Study Cost Reimbursement and Agreement.**

**9.6.1 Cost Reimbursement.** The System Impact Study Agreement shall clearly specify the charge, based on the Participating TO's estimate of the cost and time for completion of the System Impact Study. The charge shall not exceed the reasonable actual cost of the study. In performing the System Impact Study, the Participating TO shall rely, to the extent reasonably practicable, on existing transmission planning studies. The applicant will not be assessed a charge for such existing studies; however, the applicant will be responsible for the reasonable charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact on the applicant's request.

**9.6.2 Multiple Parties.** If multiple parties request Interconnection at the same location, the participating TO may conduct a single System Impact Study. The costs of that study shall be pro-rated among the parties requesting Interconnection.

**9.7 System Impact Study Procedures.** Upon receipt of an executed System Impact Study Agreement or initiation of the CAISO ADR Procedures and receipt of payment for estimated study costs, the Participating TO will use due diligence to either (a) complete the required System Impact Study within a sixty (60) calendar day period or (b) complete its review of an applicant's System Impact Study within thirty (30) calendar days of its receipt of the completed study. The System Impact Study will identify whether any Direct Assignment Facilities, any Reliability Network Upgrades, or any Delivery Network Upgrades, are necessary to deliver a new facility's full output over the CAISO Controlled Grid, or any transmission additions or upgrades are necessary to serve a wholesale Load. The System Impact Study will also identify any adverse impact on Encumbrances existing as of the applicant's Completed Application Date. In the event that the Participating TO is unable to complete the required System Impact Study within such time period, it shall so notify the applicant, in writing, and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. Subject to the execution of an appropriate confidentiality agreement, a copy of the completed System Impact Study and related work papers shall be made available to the applicant and the CAISO. The Participating TO shall notify the applicant and the CAISO immediately upon completion of the System Impact Study.

**9.7.1 Procedures Upon Completion of System Impact Study.** Within fifteen (15) Business Days of completion of the System Impact Study or review and approval of an applicant's System Impact Study, the Participating TO shall notify the applicant whether the Regional Transmission Facilities will be adequate to accommodate a request for Interconnection. If no costs are likely to be incurred for any Direct Assignment Facilities, any Reliability Network Upgrades, or Delivery Network Upgrades implementing any operating procedures, then within thirty (30) Business Days of receipt of written approval

of the applicant's System Impact Study from the Participating TO and the CAISO, the applicant shall request the Participating TO to tender an Interconnection Agreement within thirty (30) Business Days of such request. The Participating TO shall tender to the applicant an Interconnection Agreement as provided in Section 7.1.3 of this TO Tariff. If costs are likely to be incurred to accommodate a request for Interconnection, the Participating TO shall tender to the applicant a Facility Study Agreement pursuant to Section 9.8 of this TO Tariff.

**9.8 Notice of Need for Facility Study.** If a System Impact Study indicates that additions or upgrades to the CAISO Controlled Grid or IID's Affected System are needed to satisfy an applicant's request for Interconnection, the Participating TO shall, within fifteen (15) Business Days of the date of the System Impact Study or the completion of review and approval of the applicant's System Impact Study by the Participating TO, tender to the applicant a Facility Study Agreement that defines the scope, content, assumptions and terms of reference for such study to be completed by the Participating TO; the estimated time required to complete the required study; and such other provisions as the parties may reasonably require, and pursuant to which the applicant agrees to reimburse the Participating TO for the reasonable actual costs of performing the required Facility Study. Alternatively, if the applicant will perform the Facility Study, the Participating TO shall within fifteen (15) Business Days of the completion date of the System Impact Study or the completion of review and approval of the applicant's System Impact Study, tender a Facility Study Agreement that defines the scope, content, assumptions, and terms of reference for such study to be reviewed by the Participating TO; the estimated time required to complete the required review; and such other provisions as the parties may reasonably require, and pursuant to which the applicant agrees to reimburse the Participating TO for the reasonable actual costs of reviewing the required Facility Study. For an Interconnection Request to remain a Completed Interconnection Application, the applicant shall execute the Facility Studies Agreement and return it to the Participating TO within ten (10) Business Days together with payment for the reasonable estimated costs of performing the Facility Study or reviewing the applicant's Facility Study. Alternatively, if the applicant requests the Participating TO to proceed with the Facility Study or review thereof and commits to abide by the terms, conditions, and cost assignments ultimately determined under the CAISO ADR Procedures, including any determination by FERC or appeal of a FERC determination in accordance with that process, the Participating TO shall promptly proceed with the Facility Study provided that such request is accompanied by payment for the reasonable estimated cost of the Facility Study, and the parties shall submit the disputed terms for resolution under the CAISO ADR Procedures. If the applicant elects not to execute a Facility Study Agreement and does not request that the Participating TO proceed with the Facility Study or review thereof, its application shall be deemed withdrawn and the applicant shall reimburse to the Participating TO all costs reasonably incurred in processing the application not covered by the System Impact Study Agreement.

**9.9 Facility Study Procedures.** Upon receipt of an executed Facility Study Agreement

or initiation of the CAISO ADR Procedures and receipt of payment for the estimated study costs, the Participating TO will use due diligence to either (a) complete the required Facility Study within a sixty (60) calendar day period or (b) complete its review of an applicant's Facility Study within thirty (30) calendar days of its receipt of the completed Facility Study. In the event that the Participating TO is unable to complete the required Facility Study within such time period, it shall so notify the applicant, in writing, and provide an estimated completion date along with an explanation of, the reasons why additional time is required to complete the required studies. Subject to the execution of an appropriate confidentiality agreement, a copy of the completed Facility Study shall be made available to the applicant.

- 9.9.1 Execution of Interconnection Agreement.** Within thirty (30) Business Days of receipt of the completed Facility Study performed by the Participating TO or receipt of written approval of the applicant's Facility Study from the Participating TO, the applicant shall request the Participating TO to tender an Interconnection Agreement within thirty (30) Business Days of such request. The Participating TO shall tender to the applicant an Interconnection Agreement as provided in Section 7.1.3 of this TO Tariff.
- 9.10 Partial Interim Service.** If the Participating TO determines that there will not be adequate transmission capability to satisfy the full amount requested in a Completed Interconnection Application, the Participating TO nonetheless shall be obligated to offer and provide the portion of the requested Interconnection that can be accommodated to the Regional Transmission Facilities without any additional Direct Assignments Facilities or Reliability Network Upgrades. However, the Participating TO shall not be obligated to provide the incremental amount of requested Interconnection that requires such additional facilities or upgrades until such facilities or upgrades have been placed in service.
- 9.11 Expedited Interconnection Procedures.** In lieu of the procedures set forth above, the applicant shall have the option to expedite the processing of its Completed Interconnection Application. In order to exercise this option, the applicant shall submit in writing a Request for Expedited Interconnection Procedures to the Participating TO within ten (10) Business Days after receiving a copy of the System Impact Study for the proposed Interconnection. Within ten (10) Business Days after receiving a Request for Expedited Procedures, the Participating TO shall tender an Expedited Interconnection Agreement that requires the applicant to compensate the Participating TO for all costs reasonably incurred pursuant to the terms of this TO Tariff for processing the Completed Interconnection Application and providing the requested Interconnection. While the Participating TO agrees to provide the applicant with its best estimate of the costs of any needed Direct Assignment Facilities and, if applicable, Reliability Upgrades and other charges that may be incurred, unless otherwise agreed by the parties, such estimate shall not be binding and the applicant must agree in writing to compensate the Participating TO for all actual interconnection costs reasonably incurred pursuant to the provisions of this TO Tariff. The applicant shall execute and return such Expedited

Interconnection Agreement within ten (10) Business Days of its receipt or the applicant's request for Interconnection will cease to be a Completed Interconnection Application and will be deemed terminated and withdrawn. In that event, the applicant shall reimburse the Participating TO for all costs reasonably incurred in processing the application not covered by the terms of the System Impact Study Agreement.

**10. Uncontrollable Forces and Indemnification.**

**10.1 Procedures to Follow if Uncontrollable Force Occurs.** In the event of the occurrence of an Uncontrollable Force which prevents a Party from performing any of its obligations under this TO Tariff, such Party shall (1) immediately notify the other Parties in writing of the occurrence of such Uncontrollable Force, (2) not be entitled to suspend performance in any greater or longer duration that is required by the Uncontrollable Force, (3) use its best efforts to mitigate the effects of such Uncontrollable Force, remedy its inability to perform, and resume full performance hereunder, (4) keep the other Parties apprised of such efforts on a continual basis and (5) provide written notice of the resumption of performance hereunder. Notwithstanding any of the foregoing, the settlement of any strike, lockout, or labor dispute constituting an Uncontrollable Force shall be within the sole discretion of the Party to this TO Tariff involved in such strike, lockout, or labor dispute, and the requirement that a Party must use its best efforts to remedy the cause of the Uncontrollable Force and mitigate its effects and resume full performance hereunder shall not apply to strikes, lockouts, or labor disputes. No Party will be considered in default as to any obligation under this TO Tariff if prevented from fulfilling the obligation due to the occurrence of an Uncontrollable Force.

**10.2 Indemnification.** A Market Participant, Project Sponsor or other Interconnection applicant shall at all times indemnify, defend, and save the Participating TO harmless from any and all damages, losses, claims, (including claims and actions relating to injury or to death of any person or damage to property), demands, 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 Participating TO's performance of its obligations under this TO Tariff on behalf of a Market Participant, Project Sponsor, or other Interconnection applicant, except in cases of negligence or intentional wrongdoing by the Participating TO.

**11. Regulatory Filings.** Nothing contained herein shall be construed as affecting, in any way, the right of any electric utility (as defined by the Federal Power Act), Participating TO furnishing services in accordance with this TO Tariff, or any tariff and rate schedule which results from or incorporates this TO Tariff, unilaterally to make application to FERC as it deems necessary and appropriate to recover its Transmission Revenue Requirements, or for a change in its rates, including changes in rate methodology, in each case under Section 205 of the FPA and pursuant to the FERC's Rules and Regulations promulgated thereunder. Nothing contained herein shall be construed as affecting in any way the ability of any Eligible Customer receiving services in accordance with this TO Tariff to exercise

its rights under the Federal Power Act and pursuant to FERC's rules and regulations promulgated thereunder.

- 11.1 Open Access.** For purposes of the Stranded Cost Recovery available under Order Nos. 888 and 888-A, this Tariff, combined with the CAISO Tariff and wholesale distribution access tariff, if any, shall be considered an open access tariff under FERC Order Nos. 888 and 888-A.
- 12. Creditworthiness.** Creditworthiness rules applicable to End-Users shall be pursuant to the then-current rules of the applicable Local Regulatory Authority.
- 13. Disputes.** Except as limited below or as otherwise limited by law, the CAISO ADR Procedures shall apply to all disputes between parties which arise under this TO Tariff or under or in respect of the proposed terms and conditions of a Facility Study Agreement or a System Impact Study Agreement for an Interconnection to the Regional Transmission Facilities. The CAISO ADR Procedures set forth in Section 13 of the CAISO Tariff shall not apply to disputes as to whether rates and charges set forth in this TO Tariff (other than charges for studies) are just and reasonable under the Federal Power Act.
- 14. [Reserved]**
- 15. Miscellaneous.**
- 15.1 Notices.** Any notice, demand, or request in accordance with this TO Tariff, unless otherwise provided in this TO Tariff, shall be in writing and shall be deemed properly served, given, or made: (i) upon delivery if delivered in person, (ii) five days after deposit in the mail if sent by first class United States mail, postage prepaid, (iii) upon receipt of confirmation by return electronic facsimile if sent by facsimile, or (iv) upon Party at the address set forth in Appendix V of this TO Tariff. Any Party may at any time, by notice to the other Parties, change the designation or address of the person specified in Appendix II of this TO Tariff to receive notice on its behalf. Any notice of a routine character in connection with service under this TO Tariff or in connection with operation of facilities shall be given in such a manner as the Parties may determine from time to time, unless otherwise provided in this TO Tariff.
- 15.2 Waiver.** Any waiver at any time by any Party of its rights with respect to any default under this TO Tariff, or with respect to any other matter arising in connection with this TO Tariff, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this TO Tariff. Any delay short of the statutory period of limitations in asserting or enforcing any right shall not constitute or be deemed a waiver.
- 15.3 Confidentiality.**
- 15.3.1 Maintaining Confidentiality If Not for Public Disclosure.** The Participating

TO shall maintain the confidentiality of all of the documents, data, and information provided to it by any other Party that such Party may designate as confidential, provided, however, that the information will not be held confidential by the receiving Party if (1) the designating Party is required to provide such information for public disclosure pursuant to this TO Tariff or applicable regulatory requirements, or (2) the information becomes available to the public on a non-confidential basis (other than from the receiving Party).

**15.3.2 Disclosure of Confidential Information.** Notwithstanding anything in this Section 15.3 to the contrary, if any Party is required by applicable laws or regulations, or in the course of administrative or judicial proceedings, to disclose information that is otherwise required to be maintained in confidence pursuant to this Section 15.3, the Party may disclose such information; provided, however, that as soon as such Party learns of the disclosure requirement and prior to making such disclosure, such Party shall notify the affected Party or Parties of the requirement and the terms thereof if it is permitted to do so by law, regulation or order. The affected Party or Parties may, at their sole discretion and own costs, direct any challenge to or defense against the disclosure requirement and the disclosing Party shall cooperate with such affected Party or Parties to the maximum extent practicable to minimize the disclosure of the information consistent with applicable law. To the extent permitted by law and at the other affected Party's expense, the disclosing Party shall cooperate with the affected Parties to obtain proprietary or confidential treatment of confidential information by the person to whom such information is disclosed prior to any such disclosure.

**15.5 Titles.** The captions and headings in this TO Tariff are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the rates, terms, and conditions of this TO Tariff.

**15.6 Severability.** If any term, covenant, or condition of this TO Tariff or the application or effect of any such term, covenant, or condition is held invalid as to any person, entity, or circumstance, or is determined to be unjust, unreasonable, unlawful, imprudent, or otherwise not in the public interest, by any court or government agency of competent jurisdiction, then such term, covenant, or condition shall remain in force and effect to the maximum extent permitted by law, and all other terms, covenants, and conditions of this TO Tariff and their application shall not be affected thereby but shall remain in force and effect. The Parties shall be relieved of their obligations only to the extent necessary to eliminate such regulatory or other determination, unless a court or governmental agency of competent jurisdiction holds that such provisions are not severable from all other provisions of this TO Tariff.

**15.7 Preservation of Obligations.** Upon termination of this TO Tariff, all unsatisfied obligations of each Party shall be preserved until satisfied.

**15.8 Governing Law.** This TO Tariff shall be interpreted, governed by, and construed under the laws of the State of California, without regard to the principles of conflict



of laws thereof, or the laws of the United States, as applicable, as if executed and to be performed wholly within the State of California.

**15.9 Appendices Incorporated.** The several appendices to this TO Tariff, as may be revised from time to time, are attached to this TO Tariff and are incorporated by reference as if fully set forth herein.

**15.10 Conflict With CAISO Tariff.** If a Market Participant identifies a conflict between the TO Tariff and the CAISO Tariff, the Participating TO and the Market Participant shall make good-faith efforts to resolve the conflict. If the parties are unable to informally resolve that conflict, the Parties may use the CAISO ADR Procedures to resolve it as set forth in Section 13 of this TO Tariff.

## **APPENDIX I**

### **Transmission Revenue Requirement and TRBAA**

Each transmission facility placed by IID under the CAISO's Operational Control is a Regional Transmission Facility as defined by the CAISO Tariff.

The IID Base Regional Transmission Revenue Requirement is \$ \_\_\_\_\_.

The Regional Transmission Revenue Requirement shall be \$ \_\_, which is composed of a Base Transmission Revenue Requirement for the Regional Transmission Facilities of \$ \_\_ and a Regional TRBAA of \$0.

The TRBAA will be calculated annually, consistent with the CAISO Tariff.

**APPENDIX II**

**Notices**

**Designated Representatives:**

Imperial Irrigation District  
General Manager  
333 East Barioni Boulevard  
P.O. Box 937  
Imperial CA, 92251

Imperial Irrigation District  
Energy Manager  
333 East Barioni Boulevard  
P.O. Box 937  
Imperial CA, 92251

**Attachment 1**

**Approved Project Sponsor Agreement**

**Approved Project Sponsor Agreement California**

**Independent System Operator Corporation**

**May 23, 2014**

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**APPROVED PROJECT SPONSOR AGREEMENT (APSA)**

**BETWEEN**

**IMPERIAL IRRIGATION DISTRICT**

**AND**

**CALIFORNIA INDEPENDENT SYSTEM OPERATOR  
CORPORATION**

**PROJECT: IMPERIAL VALLEY ELEMENT**

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**APPROVED PROJECT SPONSOR AGREEMENT****IMPERIAL IRRIGATION DISTRICT****CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

**THIS APPROVED PROJECT SPONSOR AGREEMENT** ("APSA") is made and entered into this 10 day of MARCH, 2014, between the Imperial Irrigation District, organized and existing under the laws of the State of California ("Approved Project Sponsor") and the California Independent System Operator Corporation, a California nonprofit public benefit corporation organized and existing under the laws of the State of California ("CAISO"). Approved Project Sponsor and CAISO each may be referred to as a "Party" or collectively as the "Parties."

**RECITALS**

**WHEREAS**, CAISO exercises Operational Control over the CAISO Controlled Grid; and

**WHEREAS**, Approved Project Sponsor intends to construct, finance and own the Imperial Valley Element Project ("Project") consisting of transmission additions or upgrades identified in Appendix A to this APSA; and

**WHEREAS**, the Parties agree that, upon energization of the Project, Approved Project Sponsor will enter into the Transmission Control Agreement to become a Participating Transmission Owner ("Participating TO") and will turn the Project over to the Operational Control of the CAISO; and

**WHEREAS**, the Parties recognize that the Approved Project Sponsor has certain rights and obligations related to the Project that arise prior to the date upon which the Approved Project Sponsor becomes a Participating TO and which may remain in effect for a discrete period of time after the Approved Project Sponsor enters into the Transmission Control Agreement; and

**WHEREAS**, Approved Project Sponsor and CAISO thus have agreed to enter into this APSA for the purpose of identifying rights and obligations associated with the Project that arise prior to the effective date of the Transmission Control Agreement;

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

**ARTICLE 1. DEFINITIONS**

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



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

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

**Applicable Reliability Council** shall mean the Western Electricity Coordinating Council or its successor.

**Applicable Reliability Standards** shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Balancing Authority Area of the Participating TO's Transmission System to which the Project is directly connected, including requirements adopted pursuant to Section 215 of the Federal Power Act.

**Balancing Authority** shall mean the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.

**Balancing Authority Area** shall mean 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** shall mean the failure of a Party to perform or observe any material term or condition of this APSA.

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

**Business Day** shall mean Monday through Friday, excluding federal holidays and the day after Thanksgiving Day.

**CAISO Controlled Grid** shall mean the system of transmission lines and associated facilities of the parties to the Transmission Control Agreement that have been placed under the CAISO's Operational Control.

**CAISO Tariff** shall mean the CAISO's tariff, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

**Calendar Day** shall mean any day including Saturday, Sunday or a federal holiday.

**Commercial Operation Date** of the Project shall mean the date on which the Project commences Commercial Operation as agreed to by the applicable Participating TO, the CAISO, and the Approved Project Sponsor in writing.

**Confidential Information** shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise, subject to Article 20.

**Default** shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 15 of this APSA.

**Effective Date** shall mean the date on which this APSA becomes effective upon execution by all Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

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

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

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

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

**Good Utility Practice** shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility 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 any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

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

facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Approved Project Sponsor, CAISO, , or any Affiliate thereof.

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

**Interconnection Facilities** shall mean the Participating TO’s Interconnection Facilities and the Approved Project Sponsor’s Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Project and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Project to the Participating TO’s Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, or Network Upgrades.

**Interconnection Handbook** shall mean a handbook, developed by the Participating TO and posted on the Participating TO’s web site or otherwise made available by the Participating TO, describing technical and operational requirements for wholesale generators and loads connected to the Participating TO’s portion of the CAISO Controlled Grid, as such handbook may be modified or superseded from time to time. Participating TO’s standards contained in the Interconnection Handbook shall be deemed consistent with Good Utility Practice and Applicable Reliability Standards. In the event of a conflict between the terms of this APSA and the terms of the Participating TO’s Interconnection Handbook, the terms in this APSA shall apply.

**Interconnection Service** shall mean the service defined in Article 4.2 of this Agreement.

**Loss** shall mean any and all damages, losses, and 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.

**Metering Equipment** shall mean all metering equipment installed or to be installed for measuring the Balancing Authority Area boundary pursuant to this APSA at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

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

**Operational Control** shall mean the rights of the CAISO under the Transmission Control Agreement and the CAISO Tariff to direct the parties to the Transmission Control Agreement how to operate their transmission lines and facilities and other electric plant affecting the reliability of those lines and facilities for the purpose of affording comparable non-discriminatory transmission access and meeting applicable reliability criteria.

**Party or Parties** shall mean the CAISO, Approved Project Sponsor or the applicable combination of the above.

**Project** shall mean the transmission additions or upgrades the Approved Project Sponsor has agreed to construct, finance and own pursuant to this Agreement.

**Point of Interconnection** shall mean the point, as set forth in Appendix A to this APSA, where the Interconnection Facilities connect to the Participating TO's Transmission System.

**Reasonable Efforts** shall mean, with respect to an action required to be attempted or taken by a Party under this APSA, 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.

**System Protection Facilities** shall mean the equipment, including necessary protection signal communications equipment, that protects (1) the Participating TO's Transmission System, Participating TO's Interconnection Facilities, CAISO Controlled Grid, and Affected Systems from faults or other electrical disturbances and (2) the Approved Project Sponsor's Transmission System from faults or other electrical system disturbances occurring on the CAISO Controlled Grid, Participating TO's Interconnection Facilities, and Affected Systems or on other delivery systems or other generating systems to which the CAISO Controlled Grid is directly connected.

**Transmission Control Agreement** shall mean CAISO FERC Electric Tariff No. 7.

## ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION

**2.1 Effective Date.** This APSA shall become effective upon execution by all Parties subject to acceptance by FERC (if applicable) or, if filed unexecuted, upon the date specified by FERC. The CAISO shall promptly file this APSA with FERC upon execution in accordance with Article 3.1, if required.

**2.2 Term of Agreement.** Subject to the provisions of Article 2.3, this APSA shall remain in effect until all terms and condition of this Agreement have been fulfilled or default by the Approved Project Sponsor.

**2.3 Termination Procedures.**

**2.3.1 Written Notice.** This APSA may be terminated by the Approved Project Sponsor after giving the CAISO ninety (90) Calendar Days advance written notice, or by the CAISO notifying FERC after the transmission additions or upgrades have been turned over to CAISO Operational Control.

**2.3.2 Default.** A Party may terminate this APSA in accordance with Article 15.

**2.3.3** Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination and if applicable, FERC has accepted the notice of termination.

**ARTICLE 3. REGULATORY FILINGS AND CAISO TARIFF COMPLIANCE**

**3.1 Filing.** The CAISO shall file this APSA (and any amendment hereto) with the appropriate Governmental Authority(ies), if required. The Approved Project Sponsor may request that any information so provided be subject to the confidentiality provisions of Article 20. If the Approved Project Sponsor has executed this APSA, or any amendment thereto, the Approved Project Sponsor shall reasonably cooperate with CAISO with respect to such filing and to provide any information reasonably requested by CAISO needed to comply with applicable regulatory requirements.

**3.2 Agreement Subject to CAISO Tariff.** The Approved Project Sponsor will comply with all applicable provisions of the CAISO Tariff.

**3.3 Relationship Between this APSA and the CAISO Tariff.** With regard to rights and obligations between the Approved Project Sponsor, if and to the extent a matter is specifically addressed by a provision of this APSA (including any appendices, schedules or other attachments to this APSA), the provisions of this APSA shall govern. If and to the extent a provision of this APSA is inconsistent with the CAISO Tariff and dictates rights and obligations between the CAISO and the Approved Project Sponsor, the CAISO Tariff shall govern.

**3.4 Requirement to Become a Participating TO.** The Approved Project Sponsor agrees that the Project will be under CAISO Operational Control, and the Approved Project Sponsor further agrees that it will meet the CAISO Tariff requirements to become a Participating TO in accordance with Section 4.3 of the CAISO Tariff.

### **3.5 Relationship Between this APSA and the Transmission Control Agreement.**

Once the Approved Project Sponsor has entered into the Transmission Control Agreement, if and to the extent a matter specifically addressed in this APSA is inconsistent with the Transmission Control Agreement, the terms of the Transmission Control Agreement shall govern. Once the rights and obligations under the APSA are completed, the APSA terminates and the Transmission Control Agreement will govern the rights and responsibilities of the Approved Project Sponsor as a Participating Transmission Owner.

## **ARTICLE 4. SCOPE OF SERVICE**

**4.1 Transmission Additions or Upgrades.** The Approved Project Sponsor shall build and connect to the CAISO Controlled Grid the Project identified in Appendix A.

**4.2 Interconnection Service.** Interconnection Service allows the Approved Project Sponsor to connect the Project to the CAISO Controlled Grid. If applicable, the Approved Project Sponsor separately must seek Interconnection Service from the Participating TO to whose facilities the project will interconnect.

**4.3 Approved Project Sponsor to Meet Requirements of the Participating TO's Interconnection Handbook.** If applicable, the Approved Project Sponsor shall comply with the Participating TO's Interconnection Handbook.

**4.4 Performance Standards.** Each Party shall perform all of its obligations under this APSA 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 APSA for its compliance therewith. If such Party is the CAISO, then the CAISO shall amend the APSA and submit the amendment to FERC for approval.

## **ARTICLE 5. FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION**

**5.1 General.** Interconnection Facilities and Network Upgrades described in this APSA shall be constructed pursuant to Good Utility Practice and shall be based on the assumed accuracy and completeness of all technical information received by the CAISO from the Approved Project Sponsor. Changes to the Interconnection Facilities and Network Upgrades described in this APSA must be approved by the CAISO in accordance with Article 5.11 of this Agreement. Unless otherwise mutually agreed among the Parties, the Approved Project Sponsor shall select the testing date, and the energization date for the Project shall be consistent with the application approved by the CAISO, and such dates shall be set forth in Appendix B, Milestones.



- 5.2 Conditions Applicable.** The Approved Project Sponsor shall comply with all requirements of law and assumes responsibility for the design, procurement and construction of the Project using Good Utility Practice and the standards and specifications provided by the Participating TO that the Project is interconnected to, if applicable.
- 5.2.1** The CAISO may, at its option, review the engineering design, equipment acceptance tests, and the construction of the Project;
- 5.2.2** Prior to commencement of construction, the Approved Project Sponsor shall provide to the CAISO for informational purposes, a schedule for construction of the Participating TO's Interconnection Facilities;
- 5.2.3** At any time during construction, should any phase of the engineering, equipment procurement, or construction of the Project not meet the standards and specifications provided by the Participating TO, the Approved Project Sponsor shall be obligated to remedy deficiencies in that portion of the Project;
- 5.2.4** The Approved Project Sponsor shall indemnify the CAISO for claims arising from the Approved Project Sponsor's construction of the Project under the terms and procedures applicable to Article 16.1 Indemnity;
- 5.2.5** The Approved Project Sponsor shall transfer Operational Control of the Project to the CAISO upon completion of the Project;
- 5.2.6** The Approved Project Sponsor agrees with the cost estimates and the binding cost cap, if applicable, included in Appendix E. The cost cap will be adjusted to accommodate Force Majeure events addressed in Article 14.
- 5.2.7** As soon as reasonably practicable, but within twelve months after completion of the construction of the Project, the Approved Project Sponsor shall provide summary of the final cost of the construction of the Project, which summary shall set forth such costs in sufficient detail to enable the CAISO to understand the cost of the Project, including use of contingency and any cost overruns; and
- 5.2.8** The Approved Project Sponsor shall deliver to the CAISO "as-built" drawings, information, and any other documents that are reasonably required by the CAISO to assure that the Project is built to the standards and specifications required by the Participating TO.
- 5.3 Construction Commencement.** The Approved Project Sponsor shall commence construction of the Project for which it is responsible as soon as practicable after the following additional conditions are satisfied by each party:

- 5.3.1** Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval; and
- 5.3.2** Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of the Project.
- 5.4 Work Progress.** The Approved Project Sponsor will keep the CAISO advised monthly as to the progress of the financing, procurement and construction efforts, which can be via email or verbal discussion as agreed upon by the parties.
- 5.4.1** The Approved Project Sponsor shall provide the CAISO with the Initial Construction Plan one hundred twenty (120) Calendar Days after the Approved Project Sponsor has been selected. The plan shall include: Land acquisition and permits requirements, status and schedule; materials procurement requirements, status and schedule; construction financing status and schedule; and Project contacts, if different than selection process.
- 5.4.2** Every ninety (90) Calendar Days after the Initial Construction Plan is received until the Project is energized and under CAISO Operational Control, the Approved Project Sponsor shall provide the CAISO with a Construction Plan Status Report which shall include, but is not limited to Project schedule; Permit and license status – environmental, state, local; Right-of-way status; Land acquisition status; Design and engineering status; concern with or change in ability to meet design specifications; status of contracts for project work, including land, procurement, staffing; Participating TO interconnection agreement status; construction status; testing status; risks and obstacles; and Project budget including actuals, estimate to complete, contingency. The format for the report will be in accordance with the Business Practice Manual on Transmission Planning Process.
- 5.4.3** The CAISO will send Project status reports received in accordance with Section 5.4.2 to the applicable Participating TO(s) and then the CAISO will hold a call with the Participating TO(s) to review the status report, including completion date and items of concern.
- 5.4.4** Every ninety (90) calendar days until the Project is energized and under CAISO Operational Control, the Participating TO shall provide the CAISO with an Interconnection Facilities Status Report which shall include, but is not limited to project schedule; permit and license status – environmental, state, local; right-of-way status, if required; land acquisition status, if required; design and engineering status; status of contracts for project work, including land, procurement, staffing; construction status; testing status; risks and obstacles; and project budget including actuals, estimate



to complete, contingency. The format for the report will be in accordance with Business Practice Manual for Transmission Planning Process.

- 5.4.5** If, at any time, the Approved Project Sponsor determines that the completion of the Participating TO's Interconnection Facilities will not be required until after the specified energization date, the Approved Project Sponsor will provide written notice to the Participating TO and CAISO of such later date upon which the completion of the Participating TO's Interconnection Facilities will be required.
- 5.5 Delay in Project.** If CAISO has received notification from the Approved Project Sponsor of delay in Project energization beyond the date upon which the project was found to be needed, the CAISO shall issue a market notice to market participants stating that the Project is delayed and that, if applicable, a plan is being developed to address potential NERC reliability standard violations as set forth in Section 24.6.3 of the CAISO Tariff as well as any material concerns.
- 5.5.1** The CAISO shall determine if there is a potential NERC violation, for either the CAISO or applicable Participating TO(s), arising from any Project energization delay and will determine if there are other material issues of concern. If there are potential violations or material issues, the CAISO, Approved Project Sponsor and applicable Participating TO(s) shall develop a plan to address the delay. The plan may include directing the Participating TO to develop a mitigation plan.
- 5.5.2** If violations or material issues cannot be promptly and adequately addressed, CAISO will take action to resolve the issues, including determining if an alternate project sponsor is required.
- 5.6 Delay in Approvals, Property Acquisition or Construction.** If unreasonable delays in necessary Project approvals, acquisition of any and all real property rights, including but not limited to fee title, right of way grant, easement and license rights essential for construction of the Project or construction timelines, as set forth in Appendix B (Milestones) occur, the CAISO shall consult with the Approved Project Sponsor. If, following such consultation, (a) the CAISO determines that (i) the Approved Project Sponsor cannot secure necessary approvals or property rights or is otherwise unable to construct the Project; or (ii) an alternative Project Sponsor is necessary pursuant to Section 24.6.2 of the CAISO Tariff; or, (b) the Approved Project Sponsor determines that it is unable to proceed with construction and so notifies the CAISO, then CAISO shall take such actions that it determines are appropriate and necessary, including termination of this agreement. If either Party determines that a new Approved Project Sponsor should be selected, the Approved Project Sponsor agrees to work with CAISO, the new Approved Project Sponsor, and, if applicable, the Participating TO to transfer responsibility for the Project to the new Approved Project Sponsor.

- 5.7 Information Exchange.** As soon as reasonably practicable after the Effective Date, the Approved Project Sponsor shall provide information to the CAISO regarding the design and compatibility of the Approved Project Sponsor's Project and Participating TO's Interconnection Facilities and compatibility of the Interconnection Facilities with the Approved Project Sponsor's Project, and shall work diligently and in good faith to make any necessary design changes to the description of the Project set forth in Appendix A.
- 5.8 Approved Project Sponsor's Project.** The Approved Project Sponsor shall, at its expense, design, procure, construct, own and install the Project, as set forth in Appendix A.
- 5.8.1 Approved Project Sponsor's Project Specifications.** The Approved Project Sponsor shall submit necessary specifications for the Project, including System Protection Facilities, to the CAISO at least one hundred eighty (180) Calendar Days prior to the date that testing will commence and final specifications for review and comment at least ninety (90) Calendar Days prior to the date that testing will commence. The CAISO shall review such specifications to ensure that the Project is compatible with the technical specifications, operational control, safety requirements, and any other applicable requirements of the Participating TO and the CAISO and will provide any comments on such specifications within thirty (30) Calendar Days of the Approved Project Sponsor's submission. All specifications provided hereunder shall be deemed confidential.
- 5.8.2 Participating TO's and CAISO's Review.** The Participating TO's and the CAISO's review of the Approved Project Sponsor'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 Project or the Participating TO's Interconnection Facilities, if applicable. As described in Section 5.8 above, Approved Project Sponsor shall make such changes to the Approved Project Sponsor's Project as may reasonably be required by the Participating TO or the CAISO, in accordance with Good Utility Practice, to ensure that the Approved Project Sponsor's Project are compatible with the technical specifications, Operational Control, and safety requirements of the Participating TO or the CAISO.
- 5.8.3 Approved Project Sponsor's Project Construction.** The Approved Project Sponsor's Project shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Project has been turned over to CAISO Operational Control, unless the CAISO and Approved Project Sponsor agree on another mutually acceptable deadline, the Approved Project Sponsor shall deliver to the Participating TO and CAISO "as-built" drawings, information and documents for the Approved Project Sponsor's Project, including, as applicable, a one-line diagram, a site plan drawing

showing the Approved Project Sponsor's Project including Interconnection Facilities, plan and elevation drawings showing the layout of the Approved Project Sponsor's Interconnection Facilities, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with the Approved Project Sponsor's Project, and, if applicable, the impedances (determined by factory tests) for the associated transformers. The Approved Project Sponsor shall provide the Participating TO and the CAISO specifications for the protection settings, transformer tap settings, and communications, if applicable. Any deviations from the relay settings, machine specifications, and other specifications originally submitted by the Approved Project Sponsor shall be assessed by the Participating TO and the CAISO pursuant to the appropriate provisions of this APSA.

- 5.9 Permits.** The Approved Project Sponsor shall obtain all permits, licenses and authorization that are necessary to accomplish the Project in compliance with Applicable Laws and Regulations.
- 5.10 Tax Status.** Each Party shall cooperate with the others to maintain the other Parties' tax status. Nothing in this APSA is intended to adversely affect the CAISO's or any Participating TO's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.
- 5.11 Modification.**
- 5.11.1 General.** The Approved Project Sponsor may undertake modifications to its facilities, subject to the approval of the CAISO and the provisions of this APSA and the CAISO Tariff. If the Approved Project Sponsor plans to undertake a modification then it shall provide such information regarding such modification to the CAISO as the CAISO deems necessary to 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, any technical information and cost impact. The Approved Project Sponsor shall provide the relevant drawings, plans, and specifications to the CAISO at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed. The CAISO shall approve the modification if it determines that the modification is in accordance with the original Project criteria and intent.
- 5.11.2 Standards.** Any additions, modifications, or replacements made to the Project's facilities shall be designed, constructed and operated in accordance with this APSA and Good Utility Practice.

## 5.12 Interconnection Study Process.

**5.12.1 Existing Study Requests.** The Approved Project Sponsor shall complete any existing studies for interconnection to the Project that were in the Approved Project Sponsor's queue upon the effective date of this APSA, and CAISO and the Participating TO will perform studies as an Affected System.

**5.12.2 Future Study Requests.** Any future interconnection requests submitted to the Approved Project Sponsor for the Project, following the execution date of this APSA, shall be directed to the CAISO Interconnection Queue process. The Approved Project Sponsor will assume the functions of a Participating TO in accordance with Appendix DD of the CAISO Tariff, including performing Phase I, Phase II, and reassessment analysis for generator interconnection requests to the Project. The Approved Project Sponsor will be reimbursed actual costs incurred for the analysis similar to the Participating TOs.

**5.12.3 Generator Interconnection Agreements.** Any Generator Interconnection Agreements for the Project will be executed consistent with the relevant terms and conditions of CAISO Tariff.

**5.13 Planning Authority.** The CAISO is the Planning Authority, as that term is defined by NERC, for the Project from the time it is identified in the CAISO's Transmission Planning Process and approved by the CAISO Board of Governors, regardless of the status of Project construction or energization. As such, the Approved Project Sponsor shall be subject to the rights and obligations set forth in CAISO Tariff Section 24 that are applicable to Participating TOs as they pertain to the Project.

## ARTICLE 6. TESTING AND INSPECTION

**6.1 Pre-Commercial Operation Date Testing and Modifications.** Prior to energizing the Project for testing, the Participating TO shall test the Participating TO's Interconnection Facilities and the Approved Project Sponsor shall test the Project to ensure their safe and reliable operation. All testing shall be coordinated and approved by the CAISO to ensure grid reliability. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. The Approved Project Sponsor shall bear the cost of all such testing and modifications. The Approved Project Sponsor shall not commence initial parallel operation of the Project until the Participating TO provides prior written approval to the CAISO and Approved Project Sponsor, which approval shall not be unreasonably withheld.

- 6.2 Right to Observe Testing.** The Approved Project Sponsor shall notify the CAISO at least fourteen (14) Calendar Days in advance of its performance of tests. The CAISO has the right, at its own expense, to observe such testing.
- 6.3 Right to Inspect.** The CAISO shall have the right, but shall have no obligation to (i) observe the Approved Project Sponsors' tests and/or inspection of any of its System Protection Facilities and other protective equipment; and (ii) review the settings of the Approved Project Sponsor's System Protection Facilities and other protective equipment. The CAISO may exercise these rights from time to time as it deems necessary upon reasonable notice to the Approved Project Sponsor. The exercise or non-exercise by CAISO of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Project 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 CAISO obtains through the exercise of any of its rights under this Article 6.3 shall be deemed to be Confidential Information and treated pursuant to Article 20 of this APSA.

## ARTICLE 7. METERING

- 7.1 General.** The Approved Project Sponsor shall comply with any Applicable Reliability Standards and the Applicable Reliability Council requirements regarding metering. The Approved Project Sponsor and CAISO shall comply with the provisions of the CAISO Tariff regarding metering, including Section 10 of the CAISO Tariff. Power flows to and from the Project shall be measured at or, at the CAISO's option for its respective Metering Equipment, compensated to, the Scheduling Point. The CAISO shall provide metering quantities to the Approved Project Sponsor upon request in accordance with the CAISO Tariff by directly polling the CAISO's meter data acquisition system. The Approved Project Sponsor shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

## ARTICLE 8. COMMUNICATIONS

- 8.1 Approved Project Sponsor Obligations.** The Approved Project Sponsor shall maintain satisfactory operating communications with the CAISO in accordance with the provisions of the CAISO Tariff and with the Participating TO's dispatcher or representative designated by the Participating TO. The Approved Project Sponsor shall provide standard voice line, dedicated voice line and facsimile communications at the Project's 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. The Approved Project Sponsor shall also provide the dedicated data circuit(s) necessary to provide Approved Project Sponsor data to the CAISO and Participating TO as set forth in Appendix C, Security Arrangements Details. The data circuit(s) shall extend from the



Project to the location(s) specified by the CAISO and Participating TO. Any required maintenance of such communications equipment shall be performed by the Approved Project Sponsor. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, and equipment clearances.

## ARTICLE 9. OPERATIONS

- 9.1 General.** Each Party shall comply with Applicable Reliability Standards and the Applicable Reliability Council operating 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 CAISO Obligations.** The CAISO shall cause the Participating TO's Transmission System to be operated and controlled in a safe and reliable manner during testing and synchronization, and before the Approved Project Sponsor turns the Project over to CAISO Operational Control. The CAISO may provide operating instructions to the Approved Project Sponsor consistent with this APSA and Participating TO and CAISO operating protocols and procedures as they may change from time to time. The Participating TO and CAISO will consider changes to their operating protocols and procedures proposed by the Approved Project Sponsor.
- 9.4 Approved Project Sponsor Obligations.** The Approved Project Sponsor shall at its own expense operate, maintain and control the Project in a safe and reliable manner and in accordance with this APSA in advance of turning over Operational Control to the CAISO. Appendix A, Project Details, sets forth applicable requirements of the CAISO Balancing Authority Area and may be modified to reflect changes to the requirements as they may change from time to time. The Approved Project Sponsor shall not energize the Project with the Participating TO's Transmission System until the Participating TO provides prior written approval.
- 9.5 Start-Up and Synchronization.** Consistent with the Parties' mutually acceptable procedures, the Approved Project Sponsor is responsible for the proper energization of the Project to the CAISO Controlled Grid.

## ARTICLE 10. PERFORMANCE OBLIGATION

- 10.1 Approved Project Sponsor's Project.** The Approved Project Sponsor shall design, procure, construct, install, own and/or control the Approved Project Sponsor's Project described in Appendix A at its sole expense.

## ARTICLE 11. BILLING AND PAYMENT

- 11.1 Transmission Revenue Requirement.** The Approved Project Sponsor may apply to FERC for a Transmission Revenue Requirement for Transmission Facilities not yet in operation, but approved under the transmission planning provisions of the CAISO Tariff, that will be Regional Transmission Facilities or Local Transmission Facilities when placed under the CAISO's Operational Control. If FERC approves such Transmission Revenue Requirement, the CAISO shall incorporate the Transmission Revenue Requirement into the Regional Access Charge or Local Access Charge in accordance with the CAISO Tariff.
- 11.2 Application of CAISO Tariff.** The CAISO and Approved Project Sponsor shall comply with the billing and payment provisions set forth in the CAISO Tariff.
- 11.3 Refund Obligation.** Each Approved Project Sponsor, whether or not it is subject to FERC rate jurisdiction under Section 205 and Section 206 of the Federal Power Act, shall make all refunds, adjustments to its Transmission Revenue Requirement, and adjustments to its Approved Project Sponsor Tariff and do all other things required of a Participating TO to implement any FERC order related to the CAISO Tariff, including any FERC order that requires the CAISO to make payment adjustments or pay refunds to, or receive prior period overpayments from, any Participating TO. All such refunds and adjustments shall be made, and all other actions taken, in accordance with the CAISO Tariff, unless the applicable FERC order requires otherwise.

## ARTICLE 12. REGULATORY REQUIREMENTS AND GOVERNING LAWS

- 12.1 Regulatory Requirements.** Each Party's obligations under this APSA 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 APSA shall require the Approved Project Sponsor to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act or the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978, or the Energy Policy Act of 2005.

## 12.2 Governing Law.

**12.2.1** The validity, interpretation and performance of this APSA and each of its provisions shall be governed by the laws of the state of California [where the Point of Interconnection is located], without regard to its conflicts of law principles.

**12.2.2** This APSA is subject to all Applicable Laws and Regulations.

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

## ARTICLE 13. NOTICES

**13.1 General.** Unless otherwise provided in this APSA, any notice, demand or request required or permitted to be given by a Party to another and any instrument required or permitted to be tendered or delivered by a Party in writing to another shall be effective when delivered and may be so given, tendered or delivered, by (i) recognized national courier, (ii) depositing the same with the United States Postal Service with postage prepaid for delivery by certified or registered mail, addressed to the Party, or (iii) personal delivery to the Party, at the address set out in Appendix D, Addresses for Delivery of Notices and Billings.

A Party must update the information in Appendix D as information changes. A Party may change the notice information in this APSA by giving five (5) Business Days written notice prior to the effective date of the change. Such changes shall not constitute an amendment to this APSA.

**13.2 Alternative Forms of Notice.** Any notice or request required or permitted to be given by a Party to another and not required by this APSA to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out in Appendix D.

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

**13.5 Project Management.** If the Approved Project Sponsor desires to change the identified project management, including key personal, the Approved Project Sponsor shall notify the CAISO in writing thirty (30) days in advance for approval. Such approval shall not be unreasonably withheld.



## ARTICLE 14. FORCE MAJEURE

### 14.1 Force Majeure.

**14.1.1** Economic hardship is not considered a Force Majeure event.

**14.1.2** No Party shall be considered to be in Default with respect to any obligation hereunder, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

## ARTICLE 15. DEFAULT

### 15.1 Default.

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

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

## ARTICLE 16. INDEMNITY AND CONSEQUENTIAL DAMAGES

**16.1 Indemnity.** Each Party shall at all times indemnify, defend, and hold the other Parties harmless from, any and all Losses arising out of or resulting from another Party's action or inactions of its obligations under this APSA on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

**16.1.1 Indemnified Party.** If an Indemnified Party is entitled to indemnification under this Article 16 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 16.1 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.

**16.1.2 Indemnifying Party.** If an Indemnifying Party is obligated to indemnify and hold any Indemnified Party harmless under this Article 16, 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.

**16.1.3 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 Article 16.1 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 Party 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 unreasonably withheld, conditioned or delayed.

- 16.2 Consequential Damages.** In no event shall any Party be liable under any provision of this APSA 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 another Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

## ARTICLE 17. ASSIGNMENT

- 17.1 Assignment.** This APSA may be assigned by a Party only with the written consent of the other Party; provided that a Party may assign this APSA 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 APSA including any cost cap; and provided further that the Approved Project Sponsor shall have the right to assign this APSA, without the consent of the CAISO, for collateral security purposes to aid in providing financing for the Project, provided that the Approved Project Sponsor will promptly notify the CAISO of any such assignment. Any financing arrangement entered into by the Approved Project Sponsor pursuant to this Article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify the CAISO of the date and particulars of any such exercise of assignment right(s). Any attempted assignment that violates this Article is void and ineffective. Any assignment under this APSA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

## ARTICLE 18. SEVERABILITY

- 18.1 Severability.** If any provision in this APSA 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 APSA.

## ARTICLE 19. COMPARABILITY

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

## ARTICLE 20. CONFIDENTIALITY

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

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 Parties receiving the information that the information is confidential.

If requested by any Party, the other Parties shall provide in writing, the basis for asserting that the information referred to in this Article 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.

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

- 20.1.2 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 APSA; or (6) is required, in accordance with Article 20.1.7 of this APSA, 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 APSA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Parties that it no longer is confidential.

**20.1.3 Release of Confidential Information.** No Party shall release or disclose Confidential Information to any other person, except to its employees, consultants, Affiliates (limited by the Standards of Conduct requirements set forth in Part 358 of FERC's Regulations, 18 C.F.R. 358), subcontractors, or to parties who may be or considering providing financing to or equity participation with the Approved Project Sponsor, or to potential purchasers or assignees of the Approved Project Sponsor, on a need-to-know basis in connection with this APSA, unless such person has first been advised of the confidentiality provisions of this Article and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article.

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

**20.1.5 No Warranties.** The mere fact that a Party has provided Confidential Information does not constitute a warranty or representation as to its accuracy or completeness. In addition, by supplying Confidential Information, no Party obligates itself to provide any particular information or Confidential Information to the other Parties or to enter into any further agreements or proceed with any other relationship or joint venture.

**20.1.6 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 Parties under this APSA or its regulatory requirements.

**20.1.7 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 any Party, by subpoena, oral deposition, interrogatories, requests for

production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Parties with prompt notice of such request(s) or requirement(s) so that the other Parties may seek an appropriate protective order or waive compliance with the terms of this APSA. 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.

**20.1.8 Termination of Agreement.** Upon termination of this APSA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from another 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.

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

**20.1.10 Disclosure to FERC, its Staff, or a State.** Notwithstanding anything in this Article to the contrary, and pursuant to 18 C.F.R. section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this APSA, 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. section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Parties to this APSA prior to



the release of the Confidential Information to FERC or its staff. The Party shall notify the other Parties to the APSA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time any of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. Section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

**20.1.11 Subject to the exception in Article 20.1.10.** Confidential Information shall not be disclosed by the other Parties to any person not employed or retained by the other Parties, 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 Parties, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this APSA or as a transmission service provider or a Balancing Authority including disclosing the Confidential Information to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Parties in writing of the information it claims is confidential. Prior to any disclosures of another Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

## **ARTICLE 21. ENVIRONMENTAL RELEASES**

**21.1** Each Party shall notify the other Parties, 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 Project or the Interconnection Facilities, each of which may reasonably be expected to affect the other Parties. 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 Parties copies of any publicly available reports filed with any Governmental Authorities addressing such events.

## **ARTICLE 22. INFORMATION ACCESS AND AUDIT RIGHTS**

**22.1 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 APSA; and (ii) carry out its obligations and responsibilities under this APSA. The Parties shall not use such information for purposes other than those set forth in this Article 22.1 and to enforce their rights under this APSA. Nothing in this Article shall obligate the CAISO to make available to a Party any third party information in its possession or control if making such third party information available would violate a CAISO Tariff restriction on the use or disclosure of such third party information.

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

**22.3 Audit Rights.** Subject to the requirements of confidentiality under Article 20 of this APSA, the CAISO audit rights shall include audit of the Approved Project Sponsor costs pertaining to performance or satisfaction of obligations under this APSA.

**22.3.1** The CAISO shall have the right, during normal business hours, and upon prior reasonable notice to the Approved Project Sponsor, to audit at its own expense the accounts and records pertaining to satisfaction of obligations under this APSA. Subject to Article 22.3.2, any audit authorized by this Article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to performance and satisfaction of obligations under this APSA. The Approved Project Sponsor shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 22.4.

**22.3.2** Notwithstanding anything to the contrary in Article 22.3, the Approved Project Sponsors’ rights to audit the CAISO’s accounts and records shall be as set forth in Section 21.1 of the CAISO Tariff.



**22.4 Audit Rights Period for Construction-Related Accounts and Records.**

Accounts and records related to the design, engineering, procurement, and construction of Project constructed by the Approved Project Sponsor shall be subject to audit and verification by the CAISO for a period of twenty-four months following the issuance of a final cost summary in accordance with Article 5.2.7.

**ARTICLE 23. SUBCONTRACTORS**

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

**23.2 Responsibility of Principal.** The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this APSA. The hiring Party shall be fully responsible to the other Parties 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 CAISO or Participating TO be liable for the actions or inactions of the Approved Project Sponsor or its subcontractors with respect to obligations of the Approved Project Sponsor under Article 4 of this APSA. Any applicable obligation imposed by this APSA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

**ARTICLE 24. DISPUTES**

**24.1 General.** All disputes arising out of or in connection with this APSA whereby relief is sought by or from the CAISO shall be settled in accordance with the provisions of Article 13 of the CAISO Tariff, except that references to the CAISO Tariff in such Article 13 of the CAISO Tariff shall be read as references to this APSA. Disputes arising out of or in connection with this APSA not subject to provisions of Article 13 of the CAISO Tariff shall be resolved as follows:

**24.2 Submission.** In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this APSA or its performance, such Party (the “disputing Party”) shall provide the other Party with written notice of the dispute or claim (“Notice of Dispute”). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party’s receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In

the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this APSA.

- 24.3 External Arbitration Procedures.** Any arbitration initiated under this APSA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“Arbitration Rules”) and any applicable FERC regulations; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article, the terms of this Article shall prevail.
- 24.4 Arbitration Decisions.** Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this APSA 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(s) must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.
- 24.5 Costs.** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

## **ARTICLE 25. REPRESENTATIONS, WARRANTIES AND COVENANTS**

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

- 25.1.1 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 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 APSA 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 APSA.
- 25.1.2 Authority.** Such Party has the right, power and authority to enter into this APSA, to become a Party hereto and to perform its obligations hereunder. This APSA 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).
- 25.1.3 No Conflict.** The execution, delivery and performance of this APSA 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.
- 25.1.4 Consent and Approval.** Such Party has sought or obtained, or, in accordance with this APSA 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 APSA, and it will provide to any Governmental Authority notice of any actions under this APSA that are required by Applicable Laws and Regulations.
- 25.1.5 Existing Ownership and Property Rights.** Nothing in this APSA shall be construed to diminish rights or title to any of its personal or real property in, under or beyond the Project and its facilities, including but not limited to all real property rights held in fee by the Imperial Irrigation District ("IID"), obtained by easement or other right, whether recorded or unrecorded, whether arising before or after the Effective Date and whether obtained by condemnation, prescription, express grant or otherwise.

## ARTICLE 26. MISCELLANEOUS

- 26.1 Binding Effect.** This APSA 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.
- 26.2 Conflicts.** In the event of a conflict between the body of this APSA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this APSA shall prevail and be deemed the final intent of the Parties.
- 26.3 Rules of Interpretation.** This APSA, 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 APSA, 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 APSA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this APSA or such Appendix to this APSA, or such Section to the CAISO Tariff or such Appendix to the CAISO Tariff, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this APSA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".
- 26.4 Entire Agreement.** This APSA, including all Appendices and Schedules attached hereto, constitutes the entire agreement among the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between or among the Parties with respect to the subject matter of this APSA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this APSA.
- 26.5 No Third Party Beneficiaries.** This APSA 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.

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

Any waiver at any time by either Party of its rights with respect to this APSA 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 APSA. Termination or Default of this APSA for any reason by the Approved Project Sponsor shall not constitute a waiver of the Approved Project Sponsor's legal rights to obtain an interconnection from the CAISO. Any waiver of this APSA shall, if requested, be provided in writing.

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

- 26.8 Multiple Counterparts.** This APSA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

- 26.9 Amendment.** The Parties may by mutual agreement amend this APSA by a written instrument duly executed by all of the Parties. Such amendment shall become effective and a part of this APSA upon satisfaction of all Applicable Laws and Regulations.

- 26.10 Modification by the Parties.** Except as described in Appendices B and E, the Parties may by mutual agreement amend the Appendices to this APSA by a written instrument duly executed by all of the Parties. Such amendment shall become effective and a part of this APSA upon satisfaction of all Applicable Laws and Regulations.

- 26.11 Reservation of Rights.** The CAISO has the right to make a unilateral filing with FERC to modify this APSA pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following Articles and Appendices of this APSA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation. The Approved Project Sponsor and the CAISO shall have the right to make a unilateral filing with FERC to modify this APSA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this APSA shall limit the rights of the Parties or of FERC under

sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

**26.12 No Partnership.** This APSA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership among the Parties or to impose any partnership obligation or partnership liability upon any Party. No 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, another Party.

**26.13 Joint and Several Obligations.** Except as otherwise provided in this APSA, the obligations of the CAISO, and the Approved Project Sponsor are several, and are neither joint nor joint and several.

**IN WITNESS WHEREOF**, the Parties have executed this APSA in multiple originals, each of which shall constitute and be an original effective agreement among the Parties.

**Imperial Irrigation District**

By: James C. Hanks  
Name: James C. Hanks  
Title: Board President  
Date: 3-4-14

**California Independent System Operator Corporation**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

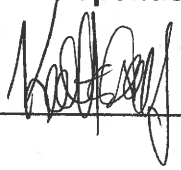


**IN WITNESS WHEREOF**, the Parties have executed this APSA in multiple originals, each of which shall constitute and be an original effective agreement among the Parties.

**Imperial Irrigation District**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**California Independent System Operator Corporation**

By:  \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: **KEITH E. CASEY, PH.D., VICE PRESIDENT  
MARKET & INFRASTRUCTURE DEVELOPMENT**  
Date: 3/10/14 \_\_\_\_\_

*MS*



## **Appendices to APSA**

Appendix A Project Details

Appendix B Milestones

Appendix C Security Arrangements Details

Appendix D Addresses for Delivery of Notices and Billings

Appendix E Approved Project Sponsor's Costs of Project

## Appendix A

### Project Details

#### 1. Description:

The CAISO analyzed the location of generation projects in the CAISO queue seeking interconnection to the Imperial Valley (“IV”) substation and considered transmission configurations that might reduce permitting and other concerns in the area. The CAISO has also coordinated with IID and has been advised that IID plans to upgrade the IID IV-El Centro line (the “S” line) to enhance its ownership rights at the IV substation. The CAISO has reviewed such plans from IID. Based on this collaboration with IID and the need to provide an efficient means by which CAISO queue generation located in Imperial Valley can move forward to commercial operation, the CAISO has identified a policy-driven need for a 230 kV collector substation (located approximately one mile north of the IV substation) and a 230 kV transmission line connecting the collector substation to the IV substation, contingent upon IID looping the S line into the IID portion of the new collector substation, as depicted below:<sup>1</sup>

#### 2. Interconnection Facilities – Collector Station:

Switching Station Only

Nominal Phase to Phase Voltage: 230 kV

Initial Bus Configuration (DBDB, BAAH, SBSB, etc): Double breaker double bus (DBDB)

Ultimate Bus Configuration (DBDB, BAAH, SBSB, etc): Breaker and a half (BAAH)

Maximum Circuit Breaker Total Fault Clearing Time: 4 cycles

Initial Number of Lines: 2

Ultimate Number of Lines: 12 (Initially the collector station site is to be prepared for four bays and eight lines.)

Initial Number of CBs: 4

Ultimate Number of CBs: 18

Initial Minimum Bus Ampacity: 5,500 Amps Ultimate Bus Ampacity: 5,500 Amps

Minimum CB Ampacity: 4,000 Amps Minimum CB Interrupting Capability: 63 kA

Station Minimum BIL 1,050 kV (900 kV for solidly grounded systems)

Initial Reactive Power Requirements: None

Ultimate Reactive Power Requirements: To be determined

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<sup>1</sup> Because the 230 kV line and substation will not become network facilities until IID completes the S line loop-in, these elements cannot be turned over to CAISO operational control until IID completes the network upgrades on its system.

Telemetry Requirements: Install the necessary equipment, including one RTU to monitor the typical bulk power elements such as MW, MVAR, and phase amps at each line and also kV at lines and buses and all circuit breaker status/control, protection relays status and alarms. The installed equipment will transmit information to the Participating TO's Grid Control Center.

Latest In Service Date: May, 2015

Low Profile Required: Subject to local permitting requirements

Gas Insulation Required: No

### **3. Network Upgrades:**

Overhead Line Construction

Line Terminus 1: SDG&E Imperial Valley 230 kV Bus

Line Terminus 2: Proposed Collector Station 230 kV Bus

Nominal Phase to Phase Voltage: 230 kV

Minimum Continuous Ampacity - Summer: 3,000 Amps

Minimum Continuous Ampacity – Winter: 3,000 Amps

Minimum 4 Hour Emergency Ampacity – Summer: 4,050 Amps

Minimum 4 Hour Emergency Ampacity – Winter: 4,050 Amps

Minimum 30 Minute Emergency Ampacity – Summer: 4,380 Amps

Minimum 30 Minute Emergency Ampacity – Winter: 4,380 Amps

Approximate Line Impedance (Ohms): N/A

Approximate Series Compensation Level: N/A

Approximate Line Length: 1 mile

Latest In Service Date: May, 2015

Support Structures: Full double circuit tower with one side strung

Shield Wire Required: Optical ground wire (minimum 6 pairs of fibers)

Failure Containment Loading Mitigation (anti-cascade structures, etc.): Per applicable codes

Shield Wire Ground Fault Withstand Ampacity: Coordinate with interconnecting PTOs

Aeolian Vibration Control (Conductor and Shield Wire): Vibration dampers must be installed on all conductors and overhead shield wires, with the exception of slack spans.

Transmission Line Minimum BIL: 1,050 kV (900 kV for solidly grounded systems)

Minimum ROW Width: Per applicable codes



## Appendix B

### Milestones

#### 1. Milestone Dates:

Item	Milestone	Responsible Party	Due Date <sup>17</sup>
1	Submit Construction Plan in accordance with Article 5.4.1 of this Agreement.	Approved Project Sponsor	Completed
2	Commence development activities including commencement of regulatory approvals; acquisition of land; permits	Approved Project Sponsor	Completed
3	Complete development activities	Approved Project Sponsor	Completed
4	Commence engineering design	Approved Project Sponsor	Completed
5	Commence procurement including material and resources	Approved Project Sponsor	April 7, 2014**
6	Submit Construction Plan Status Report in accordance with Article 5.4.2 of this Agreement.	Approved Project Sponsor	Completed
7	Submit Construction Plan Status Report in accordance with Article 5.4.2 of this Agreement.	Approved Project Sponsor	May 27, 2014**
8	Submit a Participating TO application for the Project to the ISO in accordance with Section 4.3.1.1 of the CAISO Tariff	Approved Project Sponsor	July 1, 2014**
9	Complete engineering design	Approved Project Sponsor	July 2, 2014**
10	Submit Construction Plan Status Report in accordance with Article 5.4.2 of this Agreement.	Approved Project Sponsor	August 25, 2014**
11	Commence Construction	Approved Project Sponsor	September 10, 2014**
12	Submit Project specifications in accordance with Article 5.8.1 of this Agreement	Approved Project Sponsor	October 5, 2014**
13	Provide comments on Project specifications	CAISO	November 4, 2014**
14	Complete procurement including material and resources	Approved Project Sponsor	November 19, 2014**
15	Submit Construction Plan Status Report in accordance with Article 5.4.2 of this Agreement.	Approved Project Sponsor	November 23, 2014**
16	Submit final Project specifications in accordance with Article 5.8.1 of this Agreement	Approved Project Sponsor	January 3, 2015**
17	Provide comments on final Project specifications	CAISO	February 2, 2015**
18	Submit Construction Plan Status Report in accordance with Article 5.4.2 of this Agreement.	Approved Project Sponsor	February 21, 2015**

Item	Milestone	Responsible Party	Due Date <sup>1/</sup>
19	Commence Testing	Approved Project Sponsor	April 3, 2015**
20	Complete Construction	Approved Project Sponsor	May 14, 2015**
21	Energize Project	Approved Project Sponsor	May 15, 2015*
22	In accordance with Article 5.2.8 and 5.8.3 provide final "as-built" drawings, information and other documents.	Approved Project Sponsor	September 12, 2015**
23	In accordance with Article 5.2.7 provide final costs of the Project.	Approved Project Sponsor	May 15, 2016**

<sup>1/</sup> Dates in this Appendix B are good faith estimates and can be modified as follows:

- \* Change in milestone date requires an amendment to this APSA pursuant to Section 26.10.
- \*\* Change in milestone date can be agreed to in writing by the representatives listed in Appendix D to this APSA without further regulatory approval.

## Appendix C

### Security Arrangements Details

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

The Approved Project Sponsor shall meet the requirements for security implemented pursuant to the CAISO Tariff, including the CAISO's standards for information security posted on the CAISO's internet web site at the following internet address: <http://www.caiso.com/pubinfo/info-security/index.html>.

## Appendix D

### Addresses for Delivery of Notices and Billings

#### Notices:

##### Approved Project Sponsor:

Imperial Irrigation District  
Attention: General Manager  
333 East Barioni Boulevard  
P.O. Box 937  
Imperial, CA 92251

With a copy to:

Imperial Irrigation District  
Attention: Energy Manager  
333 East Barioni Boulevard  
P.O. Box 937  
Imperial, CA 92251  
Email: [TransPlan@iid.com](mailto:TransPlan@iid.com)

##### CAISO:

California ISO  
Attn: Infrastructure Contracts & Management  
250 Outcropping Way  
Folsom, CA 95630  
Email: [QueueManagement@CAISO.com](mailto:QueueManagement@CAISO.com)

#### Alternative Forms of Delivery of Notices (telephone, facsimile or e-mail):

##### Approved Project Sponsor:

Jamie Asbury  
[jasbury@iid.com](mailto:jasbury@iid.com)  
(760) 482-3379

##### CAISO:

Deb Le Vine  
[dlevine@caiso.com](mailto:dlevine@caiso.com)  
(916) 351-2144



## Appendix E

### Approved Project Sponsor's Costs of Project

The Approved Project Sponsor agrees to a binding cost cap of \$14.3 Million for the Project. In addition, IID will not include interest during construction. The estimated cost components for the Project are as follows:

<b>Substation Costs</b>	
Environmental & Real Estate	\$ 585,000
Engineering	533,329
Materials & Equipment	3,518,892
Construction/Inspection/Construction Mgmt.	<u>2,731,589</u>
Subtotal	\$ 7,368,810
<b>Transmission Cost</b>	
Environmental & Real Estate	\$ 215,000
Engineering	162,464
Materials & Equipment	1,441,677
Construction/Inspection/Construction Mgmt.	<u>980,859</u>
Subtotal	\$ 2,800,000
<b>Project Management</b>	
	\$ 233,792
<b>Bay Position at IV Substation</b>	
	\$ 1,500,000
Subtotal	\$ 11,902,602
Contingencies	<u>2,380,520</u>
<b>Total</b>	<b>\$ 14,283,122</b>

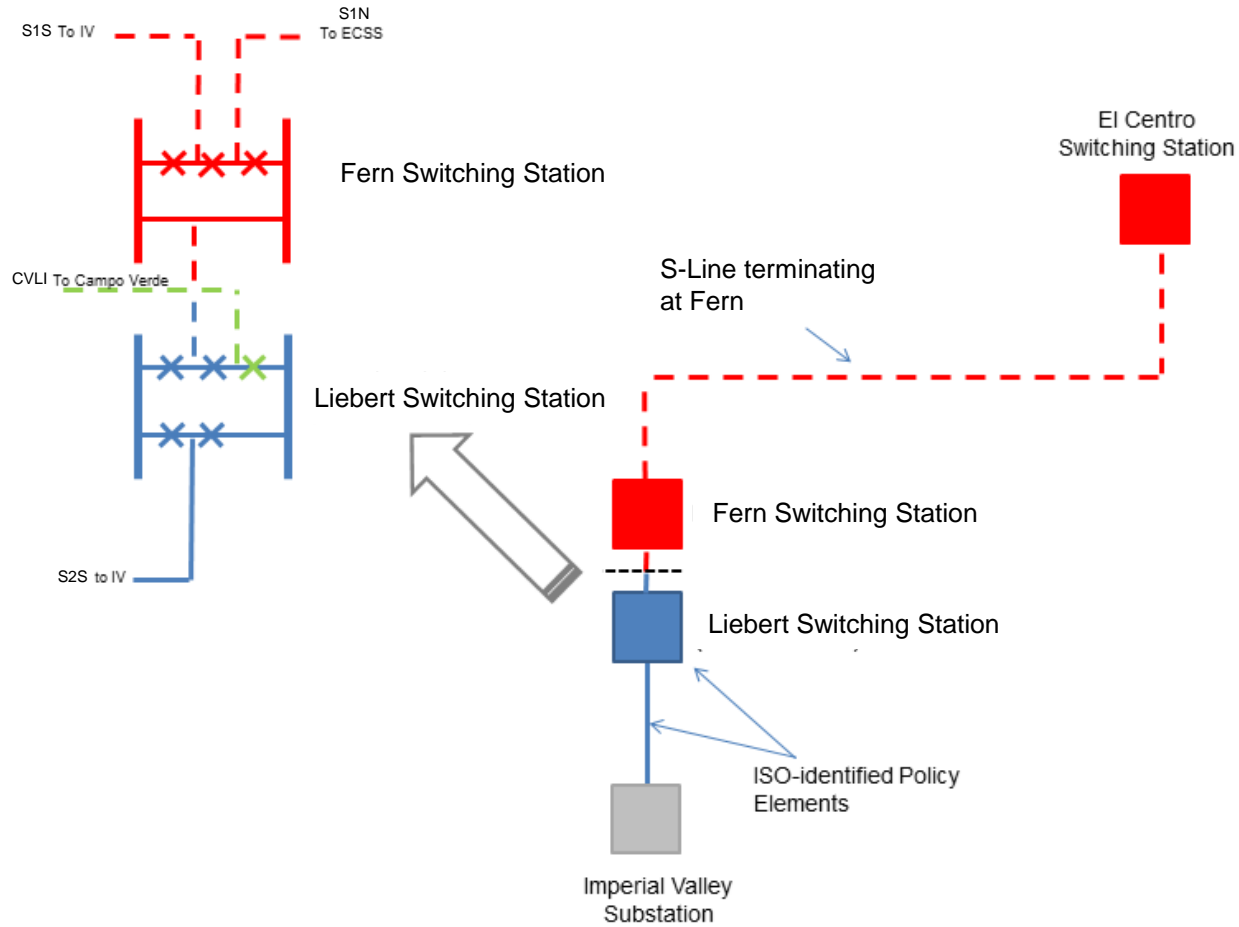
The Approved Project Sponsor may adjust the amounts in each cost category as needed during the term of the APSA provided the total Project cost does not exceed \$14,14,283,122.

In accordance with Article 5.2.7, the Approved Project Sponsor shall provide a summary of the final cost of the construction of the Project as soon as reasonably practicable within twelve months of the completion of construction.

**Exhibit 1**

**Imperial Valley Element Diagram**

# Exhibit 1 – Imperial Valley Element Diagram



**Exhibit 2**

**Imperial Valley Element Cutover**

# Exhibit 2 - Imperial Valley Element Cutover (Existing Configuration)

**ECSS**  
(Conceptual Location)

DIXIELAND SUB

Seeley

8 Kumeyaay Hwy

8 Kumeyaay Hwy

**CAMPO VERDE**

- IID-CAISO Intertie
- PTO - FACILITIES

"CVIV" LINE

"S" LINE

**IV SUBSTATION**



San Diego  
500 KV  
SUNRISE-SD G&E  
SWPL-SD G&E

500 KV  
SWPL-SD G&E / IID

230 KV

230 KV

230 KV

230 KV

230 KV





# Exhibit 2 - Imperial Valley Element Cutover (Planned Configuration)

**ECSS**  
(Conceptual Location)

DIXIELAND SUB



Seeley

8 Kumeyaay Hwy

8 Kumeyaay Hwy

230 KV

230 KV

"S1N" LINE

230 KV  
230 KV

230 KV COLLECTOR STATION

CAMPO VERDE

"CVLI" LINE



LIEBERT STATION

"S1S" LINE

"S2S" LINE  
(CAISO)

230 KV  
230 KV

(FUT. IV-DIXIELAND) 17, 15, 14

IV SUBSTATION

San Diego

500 KV

500 KV





San Diego

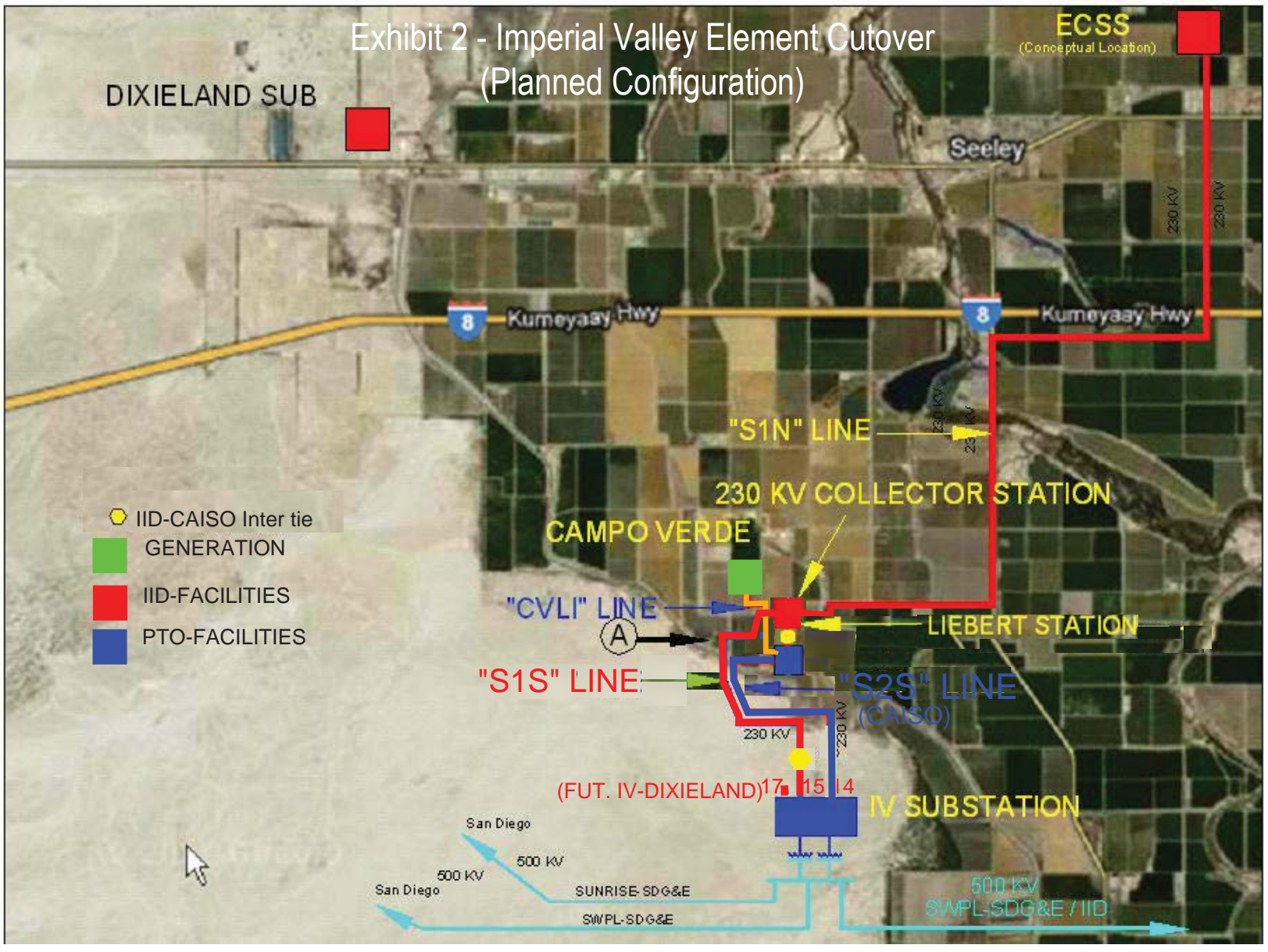
SUNRISE SDG&E

SWPL-SDG&E

500 KV

SWPL-SDG&E / IID

-  IID-CAISO Inter tie
-  GENERATION
-  IID-FACILITIES
-  PTO-FACILITIES



**Exhibit 3**

**General Location Map**

# Exhibit 3 – General Location Map

