

Executable Version

**LASSEN MUNICIPAL UTILITY DISTRICT  
SMALL GENERATOR  
INTERCONNECTION AGREEMENT (SGIA)**

**(For Generating Facilities No Larger Than 20 MW)**

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This Interconnection Agreement ("Agreement") is made and entered into this 13th day of March, 2015, by Lassen Municipal Utility District ("Transmission Provider" or "LMUD"), and Amedee Geothermal Venture I, a California Limited Partnership ("Interconnection Customer" or "AGVI") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

### Transmission Provider Information

Transmission Provider: Lassen Municipal Utility District  
Attention: Electric Operations Manager  
Address: 65 S. Roop Street  
City: Susanville State: CA Zip: 96130  
Phone: (530) 257-4174 Fax: (530) 257-6977

### Interconnection Customer Information

Interconnection Customer: Amedee Geothermal Venture I  
Attention: Stuart Sagan  
Address: P.O. Box 12219  
City: Zephyr Cove State: NV Zip: 89448  
Phone: (775) 588-7300 Fax: (775) 588-7922

Interconnection Customer Application No: 2

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

### Article 1. Glossary of Terms

- 1.1 **Affected System** – An electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.
- 1.2 **Applicable Laws and Regulations** – All duly promulgated applicable federal, state and local laws, including resolutions and directives of the LMUD Board of Directors, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.
- 1.3 **Business Day** – Monday through Friday, excluding Federal and State Holidays.
- 1.4 **Default** – The failure of a breaching Party to cure its breach under the Small Generator Interconnection Agreement.
- 1.5 **Distribution System** – The Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which

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transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

- 1.6 **Good Utility Practice** – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.
- 1.7 **Governmental Authority** – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board (including the LMUD Board of Directors), 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 Interconnection Customer or any Affiliate thereof.
- 1.8 **Interconnection Customer** – Any entity, including the Transmission Provider or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Provider's Transmission System.
- 1.9 **Interconnection Facilities** – The Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Upgrades.
- 1.10 **Interconnection Request** – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Transmission Provider's Transmission System. (See Attachment 1 for modifications.)
- 1.11 **Material Modification** – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.
- 1.12 **Operating Requirements** – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, Independent System Operator, Balancing Authority Area, or the Transmission Provider's requirements, including those set forth in the Small Generator Interconnection Agreement.

- 1.13 **Party or Parties** – The Transmission Provider, Interconnection Customer or any combination of the above.
- 1.14 **Point of Interconnection** – The point where the Interconnection Facilities connect with the Transmission Provider’s Transmission System.
- 1.15 **Reasonable Efforts** – With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.
- 1.16 **Small Generating Facility** – The Interconnection Customer’s device, no larger than twenty (20) MW in capacity, for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer’s Interconnection Facilities.
- 1.17 **Tariff** – LMUD’s Open Access Transmission Tariff through which open access transmission service and Interconnection Service are offered, and as amended or supplemented from time to time, or any successor tariff.
- 1.18 **Transmission Provider** – The Lassen Municipal Utility District.
- 1.19 **Transmission System** – The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under the Tariff.
- 1.20 **Upgrades** – The required additions and modifications to the Transmission Provider’s Transmission System and/or Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer’s wholesale sale of electricity in interstate commerce. Upgrades do not include Interconnection Facilities.

**Article 2. Scope and Limitations of Agreement**

- 2.1 This Agreement shall be used for all Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP) except for those submitted under the 10 kW Inverter Process contained in SGIP Attachment 5.
- 2.2 This Agreement governs the terms and conditions under which the Interconnection Customer’s Small Generating Facility will interconnect with, and operate in parallel with, the Transmission Provider’s Transmission System. (See Attachment 1 for modifications.)
- 2.3 This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer’s power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary

arrangements (including scheduling) for delivery of electricity with the applicable Transmission Provider.

2.4 Nothing in this Agreement is intended to affect any other agreement between the Transmission Provider and the Interconnection Customer.

**2.5 Responsibilities of the Parties**

2.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.

2.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice. (See Attachment 1 for modifications.)

2.5.3 The Transmission Provider shall construct, operate, and maintain its Transmission System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice. (See Attachment 1 for modifications.)

2.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Transmission Provider and any Affected Systems. (See Attachment 1 for modifications.)

2.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Transmission Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Transmission Provider's Transmission System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

2.5.6 The Transmission Provider shall coordinate with all Affected Systems to support the interconnection.



## **2.6 Parallel Operation Obligations**

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable Balancing Authority Area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the Tariff and; 2) the Operating Requirements set forth in Attachment 4 of this Agreement. (See Attachment 1 for modifications.)

## **2.7 Metering**

The Interconnection Customer shall be responsible for the Transmission Provider's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 1 and 2 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

## **2.8 Reactive Power**

**2.8.1** The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all similarly situated generators in the Balancing Authority Area on a comparable basis. The requirements of this paragraph shall not apply to wind generators. (See Attachment 1 for modifications.)

**2.8.2** The Transmission Provider is required to pay the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Small Generating Facility when the Transmission Provider requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in article 2.8.1. In addition, if the Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay the Interconnection Customer.

**2.8.3** Payments shall be in accordance with the Interconnection Customer's applicable rate schedule then in effect. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously agree upon such rate schedule in order to compensate the Interconnection Customer from the time service commenced. In the event that mutual agreement cannot be reached, the Parties will use the dispute resolution procedures contemplated in Article 11 of this SGIA.

- 2.9 Capitalized terms used herein shall have the meanings specified in Article 1 or the body of this Agreement.

### **Article 3. Inspection, Testing, Authorization, and Right of Access**

#### **3.1 Equipment Testing and Inspection** (See Attachment 1 for modifications.)

- 3.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Transmission Provider of such activities no fewer than five (5) Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Transmission Provider may, at its own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Transmission Provider a written test report when such testing and inspection is completed.
- 3.1.2 The Transmission Provider shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Transmission Provider of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

#### **3.2 Authorization Required Prior to Parallel Operation** (See Attachment 1 for modifications.)

- 3.2.1 The Transmission Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 4 of this Agreement. Additionally, the Transmission Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Transmission Provider shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.
- 3.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Transmission Provider's Transmission System without prior written authorization of the Transmission Provider. The Transmission Provider will provide such authorization once the Transmission Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

### **3.3 Right of Access**

- 3.3.1** Upon reasonable notice, the Transmission Provider may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three (3) Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Transmission Provider at least five (5) Business Days prior to conducting any on-site verification testing of the Small Generating Facility. (See Attachment 1 for modifications.)
- 3.3.2** Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Transmission Provider shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers. (See Attachment 1 for modifications.)
- 3.3.3** Each Party shall be responsible for its own costs associated with following this article.

## **Article 4. Effective Date, Term, Termination, and Disconnection**

### **4.1 Effective Date**

This Agreement shall become effective upon execution by the Parties.

### **4.2 Term of Agreement**

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as the Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 4.3 of this Agreement.

### **4.3 Termination**

- 4.3.1** The Interconnection Customer may terminate this Agreement at any time by giving the Transmission Provider twenty (20) Business Days written notice.
- 4.3.2** Either Party may terminate this Agreement after Default pursuant to article 8.6.
- 4.3.3** Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Transmission Provider's Transmission System. All costs

required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this SGIA or such non-terminating Party otherwise is responsible for these costs under this SGIA.

- 4.3.4 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.
- 4.3.5 This provisions of this article shall survive termination or expiration of this Agreement.

#### 4.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

- 4.4.1 **Emergency Conditions** – “Emergency Condition” shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, the Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the Transmission Provider may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Transmission Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify the Transmission Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Transmission Provider's Transmission System or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

#### 4.4.2 Routine Maintenance, Construction, and Repair

The Transmission Provider may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the Transmission Provider's Transmission System when necessary for routine maintenance, construction, and repairs on the Transmission Provider's Transmission System. The Transmission Provider shall provide the Interconnection Customer with five (5) Business Days notice prior to such interruption. The Transmission Provider shall use Reasonable Efforts to coordinate

such reduction or temporary disconnection with the Interconnection Customer. (See Attachment 1 for modifications.)

**4.4.3 Forced Outages**

During any forced outage, the Transmission Provider may suspend interconnection service to effect immediate repairs on the Transmission Provider's Transmission System. The Transmission Provider shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Transmission Provider shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

**4.4.4 Adverse Operating Effects**

The Transmission Provider shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the Transmission Provider's Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Transmission Provider may disconnect the Small Generating Facility. The Transmission Provider shall provide the Interconnection Customer with five (5) Business Day notice of such disconnection, unless the provisions of article 4.4.1 apply.

**4.4.5 Modification of the Small Generating Facility**

The Interconnection Customer must receive written authorization from the Transmission Provider before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Transmission Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

**4.4.6 Reconnection**

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the Transmission Provider's Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

## **Article 5. Cost Responsibility for Interconnection Facilities**

### **5.1 Interconnection Facilities**

- 5.1.1** The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 1 of this Agreement. The Transmission Provider shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Transmission Provider. (See Attachment 1 for modifications.)
- 5.1.2** The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Transmission Provider's Interconnection Facilities.

## **Article 6. Cost Responsibility for Upgrades**

(See Attachment 1 for modifications.)

### **6.1 Applicability**

No portion of this article 6 shall apply unless the interconnection of the Small Generating Facility requires Upgrades.

### **6.2 Upgrades**

The Transmission Provider shall design, procure, construct, install, and own the Upgrades described in Attachment 5 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Upgrades that are located on land owned by the Interconnection Customer. Unless the Transmission Provider elects to pay for Transmission Upgrades, the actual cost of the Upgrades, including overheads, shall be borne by the Interconnection Customer.

### **6.3 Rights Under Other Agreements**

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, or transmission congestion rights that the Interconnection Customer shall be entitled to, now or in the future, under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Upgrades.

**Article 7. Billing, Payment, Milestones, and Financial Security**  
(See Attachment 1 for modifications.)

**7.1 Billing and Payment Procedures and Final Accounting**

**7.1.1** The Transmission Provider shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within thirty (30) calendar days of receipt, or as otherwise agreed to by the Parties.

**7.1.2** Within three (3) months of completing the construction and installation of the Transmission Provider's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Transmission Provider shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Transmission Provider for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Transmission Provider shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Transmission Provider within thirty (30) calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Transmission Provider shall refund to the Interconnection Customer an amount equal to the difference within thirty (30) calendar days of the final accounting report.

**7.2 Milestones**

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 3 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 3. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

**7.3 Financial Security Arrangements**

At least twenty (20) Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Transmission Provider's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the

Transmission Provider, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Transmission Provider and is consistent with the California Commercial Code. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Transmission Provider's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Transmission Provider under this Agreement during its term. In addition:

- 7.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.
- 7.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Transmission Provider and must specify a reasonable expiration date.

## **Article 8. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default**

### **8.1 Assignment**

This Agreement may be assigned by either Party upon fifteen (15) Business Days prior written notice and opportunity to object by the other Party; provided that:

- 8.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the Interconnection Customer promptly notifies the Transmission Provider of any such assignment;
- 8.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Transmission Provider, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Transmission Provider of any such assignment.
- 8.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.



## **8.2 Limitation of Liability**

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

## **8.3 Indemnity**

**8.3.1** This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 8.2.

**8.3.2** The Parties shall at all times indemnify, defend, and hold the other Party, including its Board of Directors, officers, employees and agents, harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

**8.3.3** If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person 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.

**8.3.4** If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

**8.3.5** Promptly after receipt by an indemnified person 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 this article may apply, the indemnified person 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.

## **8.4 Consequential Damages**

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict

liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

## **8.5 Force Majeure**

**8.5.1** As used in this article, a Force Majeure Event shall mean “any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, 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 an act of negligence or intentional wrongdoing.”

**8.5.2** If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

## **8.6 Default**

**8.6.1** No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 8.6.2, the defaulting Party shall have sixty (60) calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within sixty (60) calendar days, the defaulting Party shall commence such cure within twenty (20) calendar days after notice and continuously and diligently complete such cure within six (6) months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

**8.6.2** If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts

due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

## **Article 9. Insurance**

(See Attachment 1.)

- 9.1 The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in California and shall name the Transmission Provider as an insured. Certification that such insurance is in effect shall be provided upon request of the Transmission Provider, except that the Interconnection Customer shall show proof of insurance to the Transmission Provider no later than ten (10) Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.
- 9.2 The Transmission Provider agrees to maintain general liability insurance or self-insurance consistent with the Transmission Provider's commercial practice.
- 9.3 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

## **Article 10. Confidentiality**

- 10.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 10.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements, including the California Public Records Act.

- 10.2.1** Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.
- 10.2.2** Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.
- 10.3** Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 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.

## **Article 11. Disputes**

- 11.1** The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 11.2** In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.
- 11.3** If the dispute has not been resolved within two (2) Business Days after receipt of the Notice, either Party may initiate dispute resolution procedures pursuant to Section 11 of LMUD's Open Access Transmission Tariff.

## **Article 12. Taxes**

- 12.1** The Parties agree to follow all applicable tax laws and regulations, consistent with Internal Revenue Service requirements.
- 12.2** Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Transmission Provider's tax exempt

status with respect to the issuance of bonds including, but not limited to, local furnishing bonds. If the Transmission Provider determines that a ruling or action by a Governmental Authority will jeopardize the tax-exempt status of Transmission Provider's bonds, Transmission Provider shall have the right to terminate this Agreement upon thirty (30) days written notice to the Interconnection Customer.

## **Article 13. Miscellaneous**

### **13.1 Governing Law, Regulatory Authority, and Rules**

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of California, without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

### **13.2 Amendment**

The Parties may amend this Agreement by a written instrument duly executed by both Parties, or under article 12.12 of this Agreement.

### **13.3 No Third-Party Beneficiaries**

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties.

### **13.4 Waiver**

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

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

### **13.5 Entire Agreement**

This Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements,

representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

**13.5.1 Additional Documents.** While this SGIA constitutes the entire agreement, Transmission Provider may require Interconnection Customer to execute additional documents, including, but not limited to, disclosures and acknowledgements.

**13.6 Multiple Counterparts**

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

**13.7 No Partnership**

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

**13.8 Severability**

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

**13.9 Security Arrangements**

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. The Transmission Provider, market participants, and Interconnection Customers interconnected to electric systems are expected to comply with the Critical Infrastructure Protection mandatory reliability standards of NERC and WECC. All Parties under this SGIA are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

**13.10 Environmental Releases**

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

**13.11 Subcontractors**

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

13.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

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

**13.12 Unilateral Right to Change**

Notwithstanding any other provision in this Agreement, the Transmission Provider shall have the right unilaterally to make a change in rates, charges, classification of service, or any rule, regulation, or Service Agreement related thereto. The Transmission Provider will notify Interconnection Customer thirty (30) days before a change becomes effective. (See Attachment 1 for modifications.)

**Article 14. Notices**

**14.1 General**

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national carrier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: \_\_\_\_\_ Amedee Geothermal Venture I \_\_\_\_\_  
Attention: \_\_\_\_\_ Stuart Sagan \_\_\_\_\_  
Address: \_\_\_\_\_ P.O. Box 12219 \_\_\_\_\_  
City: \_\_\_\_\_ Zephyr Cove \_\_\_\_\_ State: \_\_\_\_\_ NV \_\_\_\_\_ Zip: \_\_\_\_\_ 89448 \_\_\_\_\_  
Phone: \_\_\_\_\_ (775) 588-7300 \_\_\_\_\_ Fax: \_\_\_\_\_ (755) 588-7922 \_\_\_\_\_

If to the Transmission Provider:

Transmission Provider: \_\_\_\_\_ Lassen Municipal Utility District  
Attention: \_\_\_\_\_ General Manager \_\_\_\_\_

Address: \_\_\_\_\_ 65 S. Roop Street \_\_\_\_\_  
City: \_\_\_\_\_ Susanville \_\_\_\_\_ State: \_\_\_\_\_ CA \_\_\_\_\_ Zip: 96130 \_\_\_\_\_  
Phone: \_\_\_\_\_ (530) 257-4174 \_\_\_\_\_ Fax: \_\_\_\_\_ (530) 257-6977 \_\_\_\_\_

#### 14.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: \_\_\_\_\_ Amedee Geothermal Venture I \_\_\_\_\_  
Attention: \_\_\_\_\_ David Fairbank \_\_\_\_\_  
Address: \_\_\_\_\_ P.O. Box 12219 \_\_\_\_\_  
City: \_\_\_\_\_ Zephyr Cove \_\_\_\_\_ State: \_\_\_\_\_ NV \_\_\_\_\_ Zip: \_\_\_\_\_ 89448 \_\_\_\_\_

Transmission Provider: \_\_\_\_\_ Lassen Municipal Utility District \_\_\_\_\_  
Attention: \_\_\_\_\_ Energy Accounting Section \_\_\_\_\_  
Address: \_\_\_\_\_ 65 S. Roop Street \_\_\_\_\_  
City: \_\_\_\_\_ Susanville \_\_\_\_\_ State: \_\_\_\_\_ CA \_\_\_\_\_  
Zip: \_\_\_\_\_ 96130 \_\_\_\_\_

#### 14.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement 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 below:

If to the Interconnection Customer:

Interconnection Customer: \_\_\_\_\_ Amedee Geothermal Venture I \_\_\_\_\_  
Attention: \_\_\_\_\_ Brian Ring \_\_\_\_\_  
Address: \_\_\_\_\_ P.O. Box 12219 \_\_\_\_\_  
City: \_\_\_\_\_ Zephyr Cove \_\_\_\_\_ State: \_\_\_\_\_ NV \_\_\_\_\_ Zip: \_\_\_\_\_ 89448 \_\_\_\_\_  
Phone: \_\_\_\_\_ (775) 588-7300 \_\_\_\_\_ Fax: \_\_\_\_\_ (755) 588-7922 \_\_\_\_\_

If to the Transmission Provider:

Transmission Provider: \_\_\_\_\_ Lassen Municipal Utility District \_\_\_\_\_  
Attention: \_\_\_\_\_ Energy Accounting Section \_\_\_\_\_  
Address: \_\_\_\_\_ 65 S. Roop Street \_\_\_\_\_  
City: \_\_\_\_\_ Susanville \_\_\_\_\_ State: \_\_\_\_\_ CA \_\_\_\_\_ Zip: \_\_\_\_\_ 96130 \_\_\_\_\_  
Phone: \_\_\_\_\_ (530) 257-4174 \_\_\_\_\_ Fax: \_\_\_\_\_ (530) 257-6977 \_\_\_\_\_

#### 14.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.



Interconnection Customer's Operating Representative:

Interconnection Customer: Amedee Geothermal Venture I  
Attention: David Fairbank  
Address: P.O. Box 12219  
City: Zephyr Cove State: NV Zip: 89448  
Phone: (775) 588-7300 Fax: (775) 588-7922

Transmission Provider's Operating Representative:

Transmission Provider: Electric Operations Manager  
Attention: Lassen Municipal Utility District  
Address: 65 S. Roop Street  
City: Susanville State: CA Zip: 96130  
Phone: (530) 257-4174 Fax: (530) 257-6977

14.5 Changes to the Notice Information

Either Party may change this information by giving five (5) Business Days written notice prior to the effective date of the change.

Article 15. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For the Transmission Provider

Name: Wm. J. Stewart  
Title: Gen Mgr  
Date: 3/13/2015

For the Interconnection Customer

Amedee Geothermal Venture I  
Name: Stuart Sgan  
Title: Manager  
Date: 2/19/15

**Description and Costs of the Small Generating Facility,  
Interconnection Facilities and Metering Equipment**

Interconnection Customer's Small Generating Facility is an existing and currently operational facility, interconnected to the Transmission Provider and operating since 1988. Interconnection Customer's Small Generating Facility is comprised of a synchronous geothermal generator, having a generator nameplate rating of 1.5 MW, 1875 KVA, capable of net 1.8 MW maximum, electrical output, which is interconnected to Transmission Provider's system at a Point of Interconnection located at the high side of the 2500 kVA transformer at the site of the Interconnection Customer's Small Generating Facility in Amedee, California. AGVI has a currently inoperable induction generator on the site that can be reactivated. The following metering equipment is installed at the Small Generating Facility as of the date of execution of this SGIA:

- LMUD meter and test block.
- Pacific Gas and Electric Company meter and test block.
- Western Area Power Administration meter and test block.
- Amedee Geothermal Venture I / California Independent System Operator Corporation meter and test block.

There is no new interconnecting or metering equipment contemplated by this SGIA.

Accordingly, certain provisions of this Agreement have been satisfied or updated, or are warranted to be satisfied, as follows:

Section 1.10: In the definition of "Interconnection Request," the phrase "to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of" is inapplicable when applied to Interconnection Customer's request to LMUD dated May 16, 2014, because such request is to continue the interconnection of an existing facility with no Material Modifications. The complete language of Section 1.10 shall apply in any other context.

Section 2.2: Interconnection Customer's Small Generation Facility is already interconnected with Transmission Provider's Transmission System. The phrase "interconnect with, and" is retained because Interconnection Customer's Small Generation Facility continues to be interconnected with Transmission Provider's Transmission System.

Section 2.5.2: Interconnection Customer's Small Generation Facility is already interconnected with Transmission Provider's Transmission System. However, the word "interconnect" is retained because Interconnection Customer's Small Generation Facility continues to be interconnected with Transmission Provider's Transmission System. By execution of this SGIA, which includes this Attachment 1, Interconnection Customer represents that, to the best of its knowledge, the requirement of the Interconnection Customer having to "construct . . . its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice" has been satisfied with regard to Good Utility Practice in effect at the time of construction. The remainder of the Section remains in effect.

Section 2.5.3: By execution of this SGIA, which includes this Attachment 1, Transmission Provider represents that, to the best of its knowledge, the requirement of Transmission Provider having to "construct . . . its Transmission System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice" has been satisfied. The remainder of the Section remains in effect.

Section 2.5.4: By execution of this SGIA, which includes this Attachment 1, Interconnection Customer represents, to the best of its knowledge, that construction of Interconnection Customer's Small Generating Facility met the requirements imposed on customers of CP National, as predecessor in interest to LMUD, at the time of construction. To the extent that Interconnection Customer makes a Material Modification to Interconnection Customer's Small Generating Facility or otherwise increases the net generating capacity of Interconnection Customer's Small Generating Facility, Interconnection Customer agrees that it will construct its facilities and systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE and Underwriter's Laboratory. By execution of this SGIA, which includes this Attachment 1, Interconnection Customer represents that, to the best of its knowledge, the requirement of Interconnection Customer to "design" and "install" "its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Transmission Provider and any Affected System" has been satisfied. The remainder of the Section remains in effect.

Section 2.6: The reference to "Once the Small Generating Facility has been authorized to commence parallel operation," is inapplicable, because the Small Generating Facility is an existing facility, previously authorized to commence parallel operation. The remainder of the Section remains in effect.

Section 2.8.1: The entirety of Section 2.8.1 is modified to read: "The Interconnection Customer's Small Generating Facility shall maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, except when the Small Generating Facility generates less than 200 kW in generating capacity, in which case the power factor shall be within the range of 0.92 leading to 0.92 lagging."

Section 3.1 is satisfied.

Section 3.2 is inapplicable because Interconnection Customer's Small Generation Facility is an existing facility.

Section 3.3.1 is inapplicable, because Interconnection Customer's Small Generating Facility is an existing facility.

Section 3.3.2: The language, "Following the initial inspection process described above," is inapplicable, because Interconnection Customer's Small Generating Facility is an existing facility. The remainder of Section 3.3.2. remains effective.

Section 4.4.2 is amended to insert, after the second complete sentence, "The notice will include the Transmission Provider's good faith estimate of the duration of the interruption." Section 4.4.2 is further amended to modify the last sentence to read, "The Transmission Provider shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer and to minimize the duration of the interruption." The remainder of the Section remains in effect.

Section 5.1.1 is inapplicable, because Interconnection Customer's Small Generating Facility is an existing facility. To the extent that Interconnection Customer submits a new Interconnection Request in the future that requires the construction of Interconnection Facilities, the construction of such facilities will be the subject of a future new or amended Interconnection Agreement.

Article 6 is inapplicable, because Interconnection Customer's Small Generating Facility is an existing facility. To the extent that Interconnection Customer submits a new Interconnection Request in the future that requires the construction of Upgrades, the construction of such facilities will be the subject of a future new or amended Interconnection Agreement.

Article 7 is inapplicable because Interconnection Customer's Small Generating Facility is an existing facility.

Section 9.1: The Parties acknowledge that, by the date of execution of this Agreement, Interconnection Customer has provided Transmission Provider with current proof of insurance coverage, pursuant to the terms of this Agreement.

Section 13.12: The entirety of Section 13.12 is modified to read as follows:

**13.12 Right to Propose Change**

Notwithstanding any other provision in this Agreement, by entering into this Agreement the Transmission Provider does not waive its right to unilaterally make a change in LMUD's tariffed rates, charges, or classification of service, or any rule, regulation, or Service Agreement related thereto. Nothing in the preceding sentence permits LMUD to unilaterally make a change to a Service Agreement between LMUD and AGVI for transmission service under LMUD's Open Access

Transmission Tariff (OATT) except pursuant to the terms of the OATT or by mutual, written consent. To the extent that the actions, orders or directives of a Governmental Authority other than LMUD require a change to this Agreement, Transmission Provider shall make such change to this Agreement and shall notify Interconnection Customer of such proposed change thirty (30) days before such change becomes effective, if feasible, and the Interconnection Customer may dispute the proposed change under the provisions of Article 11. To the extent that the Transmission Provider proposes changes to the specific language of this Agreement between LMUD and AGVI other than those previously described in this paragraph, such changes shall be proposed pursuant to Section 13.2 of this Agreement.

Attachment 5 is inapplicable, because Small Generating Facility is an existing facility.

The Interconnection Customer is responsible for operating and maintaining its Small Generating Facility and its Interconnection Facilities. It is acknowledged that Interconnection Customer owns all facilities and equipment located on its side of the Point of Interconnection, and Transmission Provider owns all facilities and equipment located on its side of the Point of Interconnection, except as follows: With respect to the 2500 kVA transformer connected to the Interconnection Facilities and the metering shed (and equipment therein) located at the Amedee site, the ownership of such transformer and metering shed (and equipment therein) is in dispute, and may be decided in litigation on appeal or pending in federal and state court (AGVI v. LMUD, U.S.E.D.C. No. 2:11-cv-02483; 9th Circuit No 13-17508 and AGVI v. LMUD, San Francisco Superior Court Case No. CGC-13-535354 Nov. 7, 2013, including if subsequent federal or state court actions are filed under the same or similar operative facts). To the extent that ownership of the 2500 kVA transformer and/or metering shed (and equipment therein) is not decided through a final, unappealable decision in such litigation ("Final Determination"), the Parties shall renegotiate this Agreement in good faith to specify the ownership of such 2500 kVA transformer and/or metering shed (and equipment therein). To the extent a Final Determination decides the ownership of the 2500 kVA transformer and/or metering shed (and equipment therein), the Parties shall modify this Agreement to reflect such Final Determination. Prior to such Final Determination, the Parties shall make Reasonable Efforts to cooperate to operate and maintain the 2500 kVA transformer connected to the Interconnection Facilities and metering shed (and equipment therein) at the Amedee site. (See, e.g., Section 5.1.2)

The adequacy of the station power and transmission service Transmission Provider supplies to Interconnection Customer is also in dispute and may be decided in litigation on appeal or pending in federal and state court (AGVI v. LMUD, U.S.E.D.C. No. 2:11-cv-02483; 9th Circuit No 13-17508 and AGVI v. LMUD, San Francisco Superior Court Case No. CGC-13-535354 Nov. 7, 2013, including if subsequent federal or state court actions are filed under the same or similar operative facts). By entering into this Agreement, including all of its provisions and Attachments, and by Interconnection Customer executing the Affidavit described in this Attachment 1, neither Transmission Provider nor Interconnection Customer waives the positions it has taken or may take in the future in the pending litigation on the adequacy of the station power or transmission service provided by Transmission Provider to Interconnection Customer.

Further, nothing in this Agreement or Attachments, or in the Affidavit executed by Interconnection Customer that is described in this Attachment 1, may be deemed to be, used as, or introduced as, an admission or a waiver of any position by either Transmission Provider or Interconnection Customer in cases filed by Interconnection Customer against Transmission Provider on appeal or pending in federal and state court (AGVI v. LMUD, U.S.E.D.C. No. 2:11-cv-02483; 9th Circuit No 13-17508 and AGVI v. LMUD, San Francisco Superior Court Case No. CGC-13-535354 Nov. 7, 2013, including if subsequent federal or state court actions are filed under the same or similar operative facts). Nothing in this Agreement or Attachments, or in the Affidavit executed by Interconnection Customer that is described in Attachment 1, waives, releases, or limits any claims that arose before the execution of this Agreement, or the right to any remedy (including damages) or award of fees or court costs, associated with such claims. Nothing in this Agreement or Attachments, or in the Affidavit executed by Interconnection Customer that is described in Attachment 1, is intended to waive, release, or compensate any Party for any claim, cause of action, defense, or damages arising from facts or circumstances at issue in litigation on appeal or pending in federal and state court (AGVI v. LMUD, U.S.E.D.C. No. 2:11-cv-02483; 9th Circuit No 13-17508 and AGVI v. LMUD, San Francisco Superior Court Case No. CGC-13-535354 Nov. 7, 2013, including if subsequent federal or state court actions are filed under the same or similar operative facts). The Parties reserve all of their rights in connection with such federal or state court actions.

*March 9, 2015*

Pursuant to the Affidavit executed by Interconnection Customer dated [date], and attached as Attachment 6, Interconnection Customer represents that the total capacity of the generating unit of the Small Generating Facility has remained substantially unchanged and will remain substantially unchanged, and as such is eligible to enter this SGIA without undergoing the Study Process.

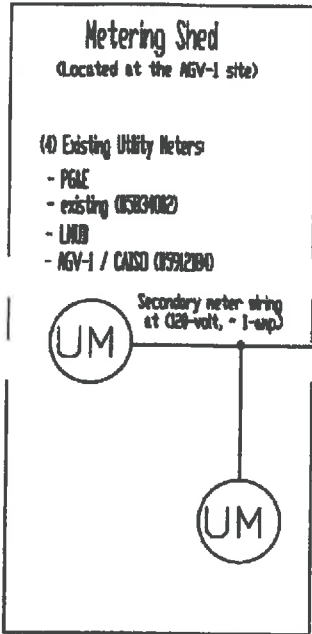
**One-line Diagram Depicting the Small Generating Facility, Interconnection  
Facilities, Metering Equipment, and Upgrades**

See attached One-Line Diagram, revised on October 9, 2014. The Parties concur that the One-Line Diagram may not show every electrical detail on either side of the Point of Interconnection, and the One-Line Diagram is included within this Agreement for purposes of facilitating the business and operational arrangements set forth in this Agreement.

60 kv Vestwood Feed to  
12 kv LMJD Standish Substation

End of 12kv line.

LMJD overhead 12.47 KV  
3-phase, 4-wire



Pole mount  
KPF Air Switch  
at the AVG-1 Facility.

15 KV NE-Cooper Recloser  
(w/ Overcurrent & grd.-fault prot.)

(3) Metering PT's  
w/ primary fusing,  
7200v - (ind. prin.)  
to 120-volt (sec.)

(3) Metering CT's  
100 amp. (max prin.)  
to 5 amp. (max sec.)  
(20:1 ratio).

(3) Pole mt. Fusible Cutouts >>  
with 80 amp fuses.

Primary 12.470-V, grd. Vye  
(+/-) 2.5 % tap-changer

Secondary 4160-v Delta

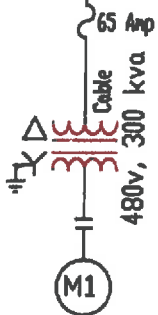
Utility Metering components  
are on the High-Side at 12kv,  
& are located on a pole platform  
at the AGV-1 site.

Distribution Class  
Lightning Arrestors

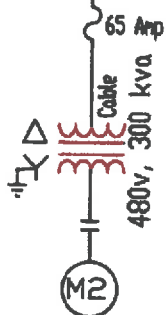
2500 KVA Pad-mt. Transformer  
w/ three 12kv prin. fuses @ 125 amp.

600A MCC Main Service Disconnect >>

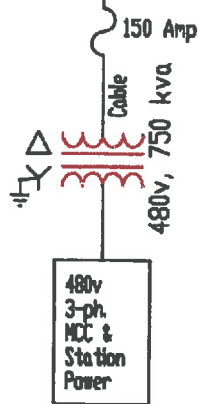
4160-V, MCC 1200A 3-ph. Bus



Norcal #1  
Brine Pump



Norcal #2  
Brine Pump



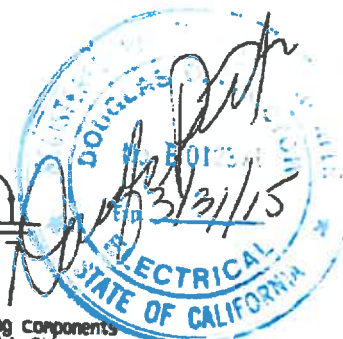
7.2KV 630A Generator Breaker

PT's for Metering, Prot. Relay, & Controls;  
also on the Line-side of gen. breaker.

CT's for Metering, Prot. Relay, & Controls;  
also on the Line-side of gen. breaker.



1875 KVA Sync. Generator



Anejee Geothermal Project				DESIGNED BY: Contr. Lic. 070079K SCALE: NONE ME Electrical & Controls PO Box 630 San Jose, CA (408) 474-1168	DRAWN BY: D. PALLUCI REL. DATE: Feb 2012 REVISED: Feb 21, 2012 REVISED:	APPROVED BY: B.P. REVISED: Oct. 29, 2012 REVISED: June 18, 2014 REVISED: Oct. 09, 2014
Simple Oneline Electrical Diagram, As-Built				DRAWING NUMBER: E-01 REV: 3 PROJECT: AGV-1 Anejee, CA		



**Attachment 3**

**Milestones  
(to include all regulatory approvals, as necessary)**

In-Service Date: \_\_\_\_\_

Critical milestones and responsibility as agreed to by the Parties:

	<b>Milestone/Date</b>	<b>Responsible Party</b>
(1)		
(2)		
(3)		
(4)	_____	_____
(5)	_____	_____
(6)	_____	_____
(7)	_____	_____
(8)	_____	_____
(9)	_____	_____
(10)	_____	_____

Agreed to by:

For the Transmission Provider \_\_\_\_\_ Date \_\_\_\_\_

For the Interconnection Customer \_\_\_\_\_ Date \_\_\_\_\_

**Additional Operating Requirements for the Transmission Provider's  
Transmission System and Affected Systems Needed to Support  
the Interconnection Customer's Needs**

This Agreement requires no additional operating requirements that must be met by the Interconnection Customer for parallel operation with the Transmission Provider's Transmission System.

**Transmission Provider's Description of its Upgrades  
and Best Estimate of Upgrade Costs**

The Transmission Provider shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Transmission Provider shall functionalize Upgrade costs and annual expenses as either transmission or distribution related. (See Attachment 1)

# Amedee Geothermal Venture I

A California Limited Partnership  
P.O. Box 12219 Zephyr Cove, NV 89448

## AFFIDAVIT

This affidavit is being submitted in satisfaction of the requirements of the Small Generator Interconnection Agreement ("SGIA").

- (1) I, Stuart Sagan, the undersigned, as a representative of Amedee Geothermal Venture I, a California Limited Partnership ("AGVI"), P.O. Box 12219, Zephyr Cove, NV 89448, am authorized to execute this affidavit on behalf of Amedee Geothermal Venture I.
- (2) AGVI is the legal owner of the AGVI power plant, a net 1.8 MW synchronous geothermal generating facility located at Amedee, California, and connected to the Lassen Municipal Utility District's ("LMUD") electric grid.
- (3) AGVI represents that it previously sold the total electrical output of the AGVI power plant to Pacific Gas and Electric Company ("PG&E"), transmitting such output over LMUD's electrical system.
- (4) AGVI now plans to sell the electrical output from the AGVI power plant in the wholesale market, either through participation in the markets operated by the California Independent System Operator Corporation ("CAISO") or by selling its partial or full generation output pursuant to a bilateral agreement.
- (5) AGVI further represents that the total capability and/or electrical characteristics of the generating unit at AGVI will remain substantially unchanged.

I, Stuart Sagan, declare under penalty of perjury that the foregoing statements are true to the best of my knowledge.

Signed



Notary Public

Stuart Sagan  
Authorized Representative Name

Manager  
Title

Amedee Geothermal Venture I  
Interconnection Customer

3/9/15  
Date

224 Kingsbury Gr. Stateline NV  
Street address, City, State 89448

775-588-7300  
Phone Number

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DOCUMENT TITLE: Affidavit

STATE OF NEVADA

COUNTY OF DOUGLAS

Signed and sworn to (or affirmed) before me on March 9, 2015  
by Stuart Sagan

Notary Public Elaine D. Welch

Printed Name: Elaine D. Welch

(Seal)



My Commission Expires:

May 6, 2015