

SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA)

BETWEEN

ANTELOPE VALLEY SOLAR, LLC

AND

SOUTHERN CALIFORNIA EDISON COMPANY

PROJECT: Lancaster Solar I (SCE WDT527)

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[Attachment 1](#) - Glossary of Terms

[Attachment 2](#) - Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment

[Attachment 3](#) - One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

[Attachment 4](#) - Milestones

[Attachment 5](#) - Additional Operating Requirements for the Distribution Provider's Distribution System and Affected Systems Needed to Support the Interconnection Customer's Needs

[Attachment 6](#) - Distribution Provider's Description of its Upgrades and Best Estimate of Upgrade Costs

This Interconnection Agreement ("Agreement") is made and entered into this _____ day of _____, 2014, by Southern California Edison Company ("Distribution Provider"), and Antelope Valley Solar, LLC ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

Distribution Provider Information

Distribution Provider: Southern California Edison Company
Attention: Grid Contract Management
Address: 2244 Walnut Grove Avenue
City: State: Zip: Rosemead, California 91770
Phone: (626) 302-9640
Fax: (626) 302-1152

Interconnection Customer Information

Interconnection Customer: Antelope Valley Solar, LLC
Attention: David Revelt
Address: 837 9th Street, Suite D
City: State: Zip: Santa Monica, CA 90403
Phone: (310) 806-3296

Interconnection Customer Application No: WDT527

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

Article 1. Scope and Limitations of Agreement

- 1.1 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.
- 1.2 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 Distribution Provider's Distribution System.
- 1.3 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.
- 1.4 Nothing in this Agreement is intended to affect any other agreement between the Distribution Provider and the Interconnection Customer.

1.5 Responsibilities of the Parties

- 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- 1.5.2 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.
- 1.5.3 The Distribution Provider shall construct, operate, and maintain its Distribution System, Transmission System, Interconnection Facilities, Distribution Upgrades and Network Upgrades in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4 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 Distribution Provider and any Affected Systems. The Interconnection Customer shall comply with the Distribution Provider's Interconnection Handbook. In the event of a conflict between the terms of this SGIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this SGIA shall govern.
- 1.5.5 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 Distribution Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Distribution Provider's Transmission System, Distribution 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.
- 1.5.6 The Distribution Provider shall coordinate with Affected Systems to support the interconnection.

1.6 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 control area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the applicable system operator(s) for the Distribution Provider's Distribution System and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering

The Interconnection Customer shall be responsible for the Distribution 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 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power

1.8.1 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 Distribution Provider has established different requirements that apply to all similarly situated generators in the control area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

1.8.2 Payment to the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Small Generating Facility when the ISO or, at the direction of the ISO, the Distribution Provider requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in article 1.8.1 will be made by the ISO in accordance with the applicable provisions of the ISO Tariff.

1.8.3 Payment to the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Small Generating Facility when, in response to a emergency on the Distribution System, the Distribution Provider requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in article 1.8.1 shall be in accordance with the Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved rate schedule. 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 file such rate schedule and agree to support any request for waiver of the Commission's prior notice requirement in order to compensate the Interconnection Customer from the time service commenced. In addition, if the Distribution Provider pays its own or affiliated generators for reactive power

service within the specified range, it must also pay the Interconnection Customer.

- 1.9 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Distribution Provider of such activities no fewer than five 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 Distribution 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 Distribution Provider a written test report when such testing and inspection is completed.

2.1.2 The Distribution 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 Distribution 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.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Distribution Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Distribution Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Distribution 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.

2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Distribution Provider's Distribution System without prior written authorization of the Distribution Provider. The Distribution Provider will provide such authorization once the Distribution 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.

2.3 Right of Access

- 2.3.1 Upon reasonable notice, the Distribution 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 Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Distribution Provider at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.
- 2.3.2 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 Distribution 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.
- 2.3.3 Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The Distribution Provider shall promptly file this Agreement with the FERC upon execution, if required.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of thirty (30) years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this Agreement (if required), which notice has been accepted for filing by FERC.

- 3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Distribution Provider 20 Business Days written notice.

- 3.3.2 Either Party may terminate this Agreement after Default pursuant to article 7.6.
- 3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Distribution Provider's Distribution 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.
- 3.3.4 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.
- 3.3.5 This provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

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

- 3.4.1 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 Distribution 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 Distribution System, the Distribution Provider's Interconnection Facilities or any Affected Systems(s); 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 Distribution Provider may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Distribution 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 Distribution Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Distribution Provider's Distribution 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.

3.4.2 Routine Maintenance, Construction, and Repair

The Distribution Provider may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the Distribution Provider's Distribution System when

necessary for routine maintenance, construction, and repairs on the Distribution Provider's Distribution System and/or Transmission System. The Distribution Provider shall provide the Interconnection Customer with five Business Days notice prior to such interruption. The Distribution Provider shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3 Forced Outages

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

3.4.4 Adverse Operating Effects

The Distribution 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 Distribution Provider's Distribution 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 Distribution Provider may disconnect the Small Generating Facility. The Distribution Provider shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from the Distribution Provider before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Distribution System and/or 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 Distribution Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6 Reconnection

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

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Distribution 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 Distribution Provider.

4.1.2 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 Distribution Provider's Interconnection Facilities.

4.2 Distribution Upgrades

The Distribution Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Distribution Provider and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

Article 5. Cost Responsibility for Network Upgrades

5.1 Applicability

No portion of this article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.

5.2 Network Upgrades

The Distribution Provider or the Distribution Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Distribution Provider and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Distribution Provider elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer.

5.2.1 Repayment of Amounts Advanced for Network Upgrades

The Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to the Distribution Provider and Affected System operator, if

any, for Network Upgrades, including any tax gross-up or other tax-related payments associated with the Network Upgrades, and not otherwise refunded to the Interconnection Customer, to be paid to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under the Distribution Provider's Tariff and Affected System's Tariff for transmission services with respect to the Small Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. The Interconnection Customer may assign such repayment rights to any person.

5.2.1.1 Notwithstanding the foregoing, the Interconnection Customer, the Distribution Provider, and any applicable Affected System operators may adopt any alternative payment schedule that is mutually agreeable so long as the Distribution Provider and said Affected System operators take one of the following actions no later than five years from the Commercial Operation Date: (1) return to the Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that the Distribution Provider or any applicable Affected System operators will continue to provide payments to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the commercial operation date.

5.2.1.2 If the Small Generating Facility fails to achieve commercial operation, but it or another generating facility is later constructed and requires use of the Network Upgrades, the Distribution Provider and Affected System operator shall at that time reimburse the Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the generating facility, if different, is responsible for identifying the entity to which reimbursement must be made.

5.3 Special Provisions for Affected Systems

Unless the Distribution Provider provides, under this Agreement, for the repayment of amounts advanced to any applicable Affected System operators for Network Upgrades, the Interconnection Customer and Affected System operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to Affected System operator as

well as the repayment by Affected System operator.

5.4 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, transmission congestion rights, or transmission credits, 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 Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Small Generating Facility.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Distribution 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 30 calendar days of receipt, or as otherwise agreed to by the Parties.

6.1.2 Within three months of completing the construction and installation of the Distribution Provider's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Distribution 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 Distribution Provider for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Distribution Provider shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Distribution Provider within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Distribution Provider shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 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 Uncontrollable Force 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 4. 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.

6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Distribution Provider's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Distribution 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 Distribution Provider and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. 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 Distribution Provider's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Distribution Provider under this Agreement during its term. In addition:

- 6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Distribution 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.
- 6.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Distribution Provider and must specify a reasonable expiration date.

Article 7. Assignment, Liability, Indemnity, Uncontrollable Force, Consequential Damages, and Default

7.1 Assignment

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

- 7.1.1 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 Distribution Provider of any such assignment;
- 7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Distribution Provider, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the

Interconnection Customer will promptly notify the Distribution Provider of any such assignment.

- 7.1.3 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.

7.2 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.

7.3 Indemnity

- 7.3.1 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 7.2.
- 7.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the 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.
- 7.3.3 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.
- 7.3.4 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.
- 7.3.5 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.

7.4 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.

7.5 Uncontrollable Force

7.5.1 As used in this article, an Uncontrollable Force Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, breakage or accident to machinery or equipment, 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 Distribution Provider or Interconnection Customer which could not be avoided through the exercise of Good Utility Practice. An Uncontrollable Force Event does not include an act of negligence or intentional wrongdoing by the Party claiming Uncontrollable Force."

7.5.2 If an Uncontrollable Force Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Uncontrollable Force Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Uncontrollable Force Event. The notification must specify in reasonable detail the circumstances of the Uncontrollable Force 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 Uncontrollable Force 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 Uncontrollable Force 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.

7.6 Default

- 7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of an Uncontrollable Force 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 7.6.2, the defaulting Party shall have 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 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.
- 7.6.2 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 8. Insurance

- 8.1 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 the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Distribution Provider, except that the Interconnection Customer shall show proof of insurance to the Distribution Provider no later than ten 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.
- 8.2 The Distribution Provider agrees to maintain general liability insurance or self-insurance consistent with the Distribution Provider's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Distribution Provider's liabilities undertaken pursuant to this Agreement.

- 8.3 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 9. Confidentiality

- 9.1 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.
- 9.2 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.
- 9.2.1 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.
- 9.2.2 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.
- 9.3 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 10. Disputes

- 10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 10.2 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.
- 10.3 If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.
- 10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.
- 10.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

Article 11. Taxes

- 11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.
- 11.2 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 Distribution Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

- 12.1 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 (where the Point of Interconnection is located), 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.

12.2 Amendment

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

12.3 No Third-Party Beneficiaries

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

12.4 Waiver

12.4.1 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.

12.4.2 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 Distribution Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 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.

12.6 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.

12.7 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.

12.8 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.

12.9 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. FERC expects all transmission providers, market participants, and interconnection customers interconnected to electric systems 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 are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 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.

12.11 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.

- 12.11.1 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 Distribution 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.

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

12.12 Reservation of Rights

The Distribution Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement 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, except to the extent that the Parties otherwise agree as provided herein.

Article 13. Notices

13.1 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 courier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: Antelope Valley Solar, LLC
Attention: David Revelt
Address: 837 9th St, Suite D
City: State: Zip: Santa Monica, CA 90403
Phone: (310) 806-3296

If to the Distribution Provider:

Distribution Provider: Southern California Edison Company
Attention: Grid Contract Management
Address: 2244 Walnut Grove Avenue
City: State: Zip: Rosemead, California 91770
Phone: (626) 302-9640

Fax: (626) 302-1152

13.2 Billing and Payment

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

Interconnection Customer: Antelope Valley Solar, LLC
Attention: David Revelt
Address: 837 9th St, Suite D
City: State: Zip: Santa Monica, CA 90403

Distribution Provider: Southern California Edison Company
Attention: Accounts Receivable (GCM)
Address: P. O. Box 800
2244 Walnut Grove Avenue
City: State: Zip: Rosemead, CA 91771-0001

13.3 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: Antelope Valley Solar, LLC
Attention: David Revelt
Address: 837 9th St, Suite D
City: State: Zip: Santa Monica, CA 90403
Phone: (310) 806-3296

If to the Distribution Provider:

Distribution Provider: Southern California Edison Company
Attention: Grid Contract Management
Address: 2244 Walnut Grove Avenue
City: State: Zip: Rosemead, California 91770
Phone: (626) 302-9640
Fax: (626) 302-1152

13.4 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: Antelope Valley Solar, LLC
Attention: David Revelt
Address: 837 9th St, Suite D
City: State: Zip: Santa Monica, CA 90403
Phone: (310) 806-3296

Distribution Provider's Operating Representative:

Distribution Provider: Southern California Edison Company
Attention: Grid Contract Management
Address: 2244 Walnut Grove Avenue
City: State: Zip: Rosemead, California 91770
Phone: (626) 302-9640
Fax: (626) 302-1152


13.5 Changes to the Notice Information

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

Article 14. Signatures

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

For the Distribution Provider

Name: 
Jill P. Horswell

Title: Director, Contracts & Reliability Standards Operations

Date: July 30, 2014

For the Interconnection Customer

Antelope Valley Solar, LLC

Name: 
David Revelt

Title: President

Date: 19 Jul 2014

Attachment 1**Glossary of Terms**

Affected System - An electric system other than the Distribution Provider's Distribution System that may be affected by the proposed interconnection, including but not limited to the Transmission System.

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

Business Day - Monday through Friday, excluding Federal Holidays.

Default - The failure of a breaching Party to cure its breach under the Small Generator Interconnection Agreement.

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

Distribution Provider - The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Distribution Provider should be read to include the Distribution Owner when the Distribution Owner is separate from the Distribution Provider.

Distribution System - Those non-ISO transmission and distribution facilities, owned, controlled and operated by the Distribution Provider that are used to provide distribution service under the Tariff, which facilities and equipment are used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

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

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

exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

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

Interconnection Customer - Any entity, including the Distribution Provider, Distribution Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Distribution Provider's Distribution System.

Interconnection Facilities - The Distribution 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 Distribution Provider's Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Handbook - A handbook, developed by the Distribution Provider and posted on the Distribution Provider's website or otherwise made available by the Distribution Provider, describing the technical and operational requirements for wholesale generators and loads connected to the Distribution System, as such handbook may be modified or superseded from time to time. In the event of a conflict between the terms of this SGIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this SGIA shall govern.

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 Distribution Provider's Distribution System.

ISO Tariff - The California Independent System Operator Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time, and accepted by FERC.

Material Modification - A modification that has a material impact on the cost or timing of any Interconnection Request, or any other valid interconnection request to the Distribution Provider or the ISO, with a later queue priority date.

Network Upgrades - Additions, modifications, and upgrades to the Distribution Provider's Transmission System required at or beyond the point at which the Distribution System connects to the Distribution Provider's Transmission System to accommodate the interconnection of the Small Generating Facility to the Distribution Provider's Distribution System. Network Upgrades

do not include Distribution Upgrades.

Operating Requirements - Any operating and technical requirements that may be applicable due to Regional Transmission Organization, the California Independent System Operator Corporation, control area, or the Distribution Provider's requirements, including those set forth in the Small Generator Interconnection Agreement.

Party or Parties - The Distribution Provider, Distribution Owner, Interconnection Customer or any combination of the above.

Point of Interconnection - The point where the Interconnection Facilities connect with the Distribution Provider's Distribution System.

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.

Small Generating Facility -The Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Tariff -the Wholesale Distribution Access Tariff, the Distribution Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with the FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission System - Those facilities owned by the Distribution Provider that have been placed under the ISO's operational control and are part of the ISO Grid.

Upgrades - The required additions and modifications to the Distribution Provider's Distribution System and Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Attachment 2**Description and Costs of the Small Generating Facility,
Interconnection Facilities, and Metering Equipment**

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, the Distribution Provider, or the Distribution Owner. The Distribution Provider will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

Small Generating Facility: See Attachment 5 for a description of the generating facility.

The Distribution Provider's Interconnection Facilities, Network Upgrades and Distribution Upgrades described in this Attachment 2 to the SGIA are based on the Distribution Provider's preliminary engineering and design. Such descriptions are subject to modification to reflect the actual facilities that are constructed and installed following the Distribution Provider's final engineering and design, identification of field conditions, and compliance with applicable environmental and permitting requirements.

1. Interconnection Facilities.

- (a) **Interconnection Customer's Interconnection Facilities.** The Interconnection Customer shall:
- (i) Install power factor correction equipment and appurtenant facilities as required to maintain Distribution Provider's VAR schedule at the Point of Interconnection.
 - (ii) Procure and construct underground duct banks and related structures required for Distribution Provider's Interconnection Facilities ("Civil Construction") in accordance with specifications and designs provided by Distribution Provider. The Distribution Provider may subsequently determine that the Civil Construction, or a portion thereof, may need to be owned by the Distribution Provider pursuant to Section 3(k) of Attachment 5 of this SGIA.
 - (iii) Install a 12 kV switchgear within the Interconnection Customer's property line, designed and engineered in accordance with the Distribution Provider's specification.
 - (iv) Acquire an agreement from the property owner at the Project's location, for Distribution Provider to have the following rights:
 1. the right to enter property owner's premises for any purpose related to the Distribution Provider's Interconnection Facilities or interconnection service,
 2. the right for the use of a Distribution Provider approved locking device if Interconnection Customer wants to prevent unauthorized access to Distribution Provider's Interconnection Facilities,
 3. the right for safe and ready access for Distribution Provider's personnel free from unrestrained animals,

4. the right for unobstructed ready access for Distribution Provider's vehicles and equipment to install, remove, repair, and maintain its Interconnection Facilities,
 5. the right to remove Distribution Provider's Interconnection Facilities after termination of interconnection service.
- (v) Install a breaker within the Interconnection Customer's property line in accordance with the Electrical Service Requirements to comply with the Distribution Provider's protection requirements. Additional protection requirements may be required.
- (vi) Telemetry.
In accordance with specifications provided by the Distribution Provider, provide the following in compliance with the telemetry requirements of the Interconnection Handbook:
1. Allow the Distribution Provider to review and approve the Interconnection Customer's telemetry equipment design and perform inspections to ensure compatibility with the Distribution Provider's telemetry equipment; allow the Distribution Provider to perform acceptance testing of the telemetry equipment and the right to require the correction of installation deficiencies.
 2. Provide broadband internet service to support communication of the telemetering data to the Distribution Provider's grid control center.
 3. Provide and install a Distribution Provider approved serial device server ("SDS") in an approved enclosure located in an area with a suitable environment.
 4. Provide a convenience power source to the SDS enclosure for SDS power.
 5. Provide and install data communication cabling for the required telemetering data from the Interconnection Customer's data acquisition system to the SDS enclosure.
 6. Allow the Distribution Provider to terminate the data communication cables inside the Interconnection Customer's SDS enclosure and program the SDS.
- (vii) If a remote terminal unit ("RTU") is installed locally at the Small Generating Facility by the Distribution Provider, make available adequate space with suitable environmental controls and provide electrical power circuits necessary for the installation of the Distribution Provider's RTU and telecom systems in accordance with the Interconnection Handbook.
- (viii) If telecommunication is installed locally at the Small Generating Facility by the Distribution Provider, make available adequate space, facilities, and associated dedicated electrical circuits within a secure building having suitable environmental controls for the installation of the Distribution Provider's telecommunications terminal equipment in accordance with the Interconnection Handbook
- (ix) Install all required ISO-approved compliant metering equipment at the Small Generating Facility, in accordance with Section 10 of the ISO Tariff. Distribution Provider consents to the Interconnection Customer's use of the Distribution Provider's retail metering potential transformers ("PTs") and current transformers ("CTs") for their ISO metering requirements at the Small Generating Facility, subject to the conditions set forth in section 6 of the Specifications for Wholesale

Distribution Service under the Wholesale Distribution Service Agreement executed concurrently with the SGIA.

- (x) If an RTU is installed locally at the Small Generating Facility by the Distribution Provider, install, in coordination with, and as specified by, the Distribution Provider, a dedicated T1 circuit from the local telephone company to support the RTU communication to the Distribution Provider's energy management system in accordance with the Interconnection Handbook.
 - (xi) If an RTU is installed locally at the Small Generating Facility by the Distribution Provider, designate, to the T1 circuit provider, the Distribution Provider as a representative authorized to report trouble to, and to initiate repairs with, the communication circuit provider on the Interconnection Customer's behalf in the event of an interruption of service on the communication circuit if a T1 circuit is required for the support of the RTU.
 - (xii) Allow the Distribution Provider to install, in the revenue metering cabinet provided by the Interconnection Customer, revenue meters and appurtenant equipment required to meter the retail load at the Small Generating Facility.
 - (xiii) Install all equipment necessary to comply with the power factor requirements of Article 1.8.1 of the SGIA, including the ability to automatically regulate the power factor to a schedule (VAR schedule) in accordance with the Interconnection Handbook.
 - (xiv) Install all equipment and controls necessary to maintain the Small Generating Facility's output ramp rate within the parameters set forth, and provided to the Interconnection Customer, by the Distribution Provider, in accordance with Attachment 5 of this SGIA.
 - (xv) Install disconnect facilities in accordance with the Distribution Provider's Interconnection Handbook to comply with the Distribution Provider's switching and tagging procedures.
 - (xvi) Provide switchgear drawings which shall comply with Distribution Provider's Electrical Service Requirements of which can be obtained at <http://www.sce.com/AboutSCE/Regulatory/distributionmanuals/esr.htm>
- (b) **Distribution Provider's Interconnection Facilities.** The Distribution Provider shall:
- (i) Install the following items:
 1. One (1) primary riser pole
 2. Approximately 100 feet of 336 ACSR conductor
 3. Approximately 250 feet of underground 350 JCN cable
 4. One (1) automated 3-way gas switch
 - (ii) **Telecommunications.**
 1. Terminate the Interconnection Customer provided communication cables inside the Interconnection Customer's SDS enclosure.
 2. Program and test the SDS.
 3. Perform setup and programming on the Distribution Provider's telemetry equipment as required to support communication of the telemetered data to the Distribution Provider's grid control center.

4. Perform a functional test of the telemetry equipment to verify compliance with the requirements of the Interconnection Handbook.
5. If an RTU is installed locally at the Generating Facility, install all required equipment (including terminal equipment) supporting the RTU including the communications interface with the Distribution Provider's energy management system. In accordance with the Interconnection Handbook, the Distribution Provider shall provide the required interface equipment at the Small Generating Facility necessary to connect the RTU to the Interconnecting Customer's T1 circuit if an RTU is installed locally at the Small Generating Facility. Notwithstanding that certain telecommunication equipment, including the telecommunications terminal equipment, will be located on the Interconnection Customer's side of the Point of Change of Ownership, the Distribution Provider shall own, operate and maintain such telecommunication equipment as part of the Distribution Provider's Interconnection Facilities.
6. If an RTU is installed locally at the Small Generating Facility, provide and install all required data signal cables to the RTU cabinet or a nearby interface cabinet for termination in accordance with the Interconnection Handbook.

(iii) **Real Properties, Transmission Project Licensing, and Environmental Health and Safety.**

If required, obtain easements permits, and/or acquire land, and perform environmental activities for the installation of the Distribution Provider's Interconnection Facilities for the Lancaster Solar I Project. Distribution Provider will provide oversight for documents related to Interconnection Customer's easements and/or acquire land, as necessary, for the installation of the Distribution Provider's Interconnection Facilities.

(iv) **Metering.**

Install 12 kV revenue meters, CTs, PTs, and appurtenant equipment required to meter the retail load at the Small Generating Facility. Notwithstanding that the meters, CTs, PTs, and appurtenant equipment will be located on the Interconnection Customer's side of the Point of Change of Ownership, the Distribution Provider shall own, operate and maintain such facilities as part of the Distribution Provider's Interconnection Facilities.

(v) **Power System Control.**

If an RTU is installed locally at the Small Generating Facility, install one (1) RTU at the Small Generating Facility to monitor typical generation elements such as MW, MVAR, terminal voltage and circuit breaker status for the Small Generating Facility and plant auxiliary load, and transmit the information received thereby to the Distribution Provider's grid control center. Notwithstanding that the RTU will be located on the Interconnection Customer's side of the Point of Change of Ownership, the Distribution Provider shall own, operate and maintain the RTU as part of the Distribution Provider's Interconnection Facilities.

2. **Network Upgrades.** See Attachment 6, Section 1.

3. **Distribution Upgrades.** See Attachment 6, Section 2.

4. **Not Used.**

5. **Point of Change of Ownership.**

The Point of Change of Ownership shall be the Interconnection Customer's 12 kV pull section of the new 12 kV switchboard panel provided, installed, and owned by the Interconnection Customer.

6. **Point of Interconnection.** A tap on the Distribution Provider's existing Roosevelt 12 kV Distribution Line out of the Redman 66/12 kV Substation.

7. **One-Line Diagram of Interconnection to Roosevelt 12kV Distribution Line.** See Attachment 3.

8. **Additional Definitions.** For the purposes of these Attachments, the following terms, when used with initial capitalization, whether in the singular or the plural, shall have the meanings specified below:

- a. Accounting Practice: Generally accepted accounting principles and practices applicable to electric utility operations.
- b. Annual Tax Security Reassessment: In accordance with the directives of FERC Orders 2003-A and 2003-B associated with Section 11 of this Attachment 2, the annual reassessment of the current tax liability, which will commence the first year after Interconnection Customer's in-service date.
- c. Applicable Reliability Council: The Western Electricity Coordinating Council or its successor.
- d. Applicable Reliability Standards: The requirements and guidelines of the North American Electric Reliability Corporation (NERC), the Applicable Reliability Council, and the Balancing Authority Area of the Distribution System to which the Small Generating Facility is directly interconnected, including the requirements adopted pursuant to Section 215 of the Federal Power Act.
- e. Balancing Authority: 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.
- f. Balancing Authority Area: The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

- g. Capital Additions: Any modifications to the Distribution Provider's Interconnection Facilities or to the Distribution Upgrades. Such modifications may be any Units of Property which are added to the Distribution Provider's Interconnection Facilities or Distribution Upgrades; the enlargement, modification or betterment of any Units of Property constituting a part of the Distribution Provider's Interconnection Facilities or Distribution Upgrades; or the replacement of any Units of Property constituting a part of the Distribution Provider's Interconnection Facilities or Distribution Upgrades, irrespective of whether such replacement constitutes an enlargement, modification or betterment of that which it replaces; and the costs of which additions, enlargements, modifications, betterments or replacements in accordance with Accounting Practice would be capitalized and have not previously been included in the Interconnection Facilities Cost or the Distribution Upgrades Cost.
- h. Capital Additions Cost: All costs, excluding One-Time Cost, determined by Distribution Provider to be associated with the design, engineering, procurement, construction and installation of Capital Additions.
- i. Commercial Operation: The status of a Small Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.
- j. Commercial Operation Date: The date on which an Electric Generating Unit at a Small Generating Facility commences Commercial Operation as agreed to by the Parties.
- k. CPUC: The California Public Utilities Commission, or its regulatory successor.
- l. Credit Support: A parent guarantee, letter of credit, surety bond, or other security meeting the requirements of Article 6.3 of the SGIA.
- m. Customer-Financed Monthly Rate: The rate most recently adopted by the CPUC for application to the Distribution Provider's retail electric customers for added facilities, which does not compensate the Distribution Provider for replacement of added facilities. The currently effective Customer-Financed Monthly Rate is as provided in Section 16 of this Attachment 2.
- n. Delivery Network Upgrades: The additions, modifications, and upgrades to the Transmission System at or beyond the Point of Interconnection, other than Reliability Network Upgrades, identified in the interconnection studies, as identified in Attachment 6, to relieve constraints on the ISO Grid.
- o. Delivery Network Upgrades Cost: The Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Delivery Network Upgrades. The Delivery Network Upgrades Cost is provided in Section 15 of this Attachment 2.

- p. Delivery Network Upgrades Payment: The sum of the Delivery Network Upgrades Cost and associated One-Time Cost. The Delivery Network Upgrades Payment is provided in Section 17 of this Attachment 2.
- q. Distribution Provider's Interconnection Facilities: Those facilities as described in Section 1(b) of this Attachment 2, as such facilities may be modified during the term of this Agreement.
- r. Distribution Upgrades Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Distribution Provider's Distribution Upgrades, calculated as the product of the Customer-Financed Monthly Rate and the Distribution Upgrades Cost. The Distribution Upgrades Charge is provided in Section 16 of this Attachment 2.
- s. Distribution Upgrades Completion Date: The date upon which the construction of the Distribution Upgrades is complete and such facilities are successfully tested and ready for service.
- t. Distribution Upgrades Cost: The Interconnection Customer's allocated share of all costs, excluding ITCC and One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Distribution Upgrades. The Distribution Upgrades Cost is provided in Section 15 of this Attachment 2.
- u. Distribution Upgrades Payment: The sum of the Distribution Upgrades Cost and associated One-Time Cost. The Distribution Upgrades Payment is provided in Section 17 of this Attachment 2.
- v. Effective Date: The date on which this Agreement becomes effective pursuant to Article 3.1.
- w. Electric Generating Unit: An individual electric generator and its associated plant and apparatus whose electrical output is capable of being separately identified and metered.
- x. In-Service Date: The date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Distribution Provider's Interconnection Facilities to obtain back feed power.
- y. Initial Synchronization Date: The date upon which an Electric Generating Unit is initially synchronized and upon which Trial Operation begins.
- z. Interconnection Customer's Interconnection Facilities: All facilities and equipment, as identified in Section 1(a) of this Attachment 2 of this SGIA, that are located between the Small Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Small Generating Facility to the

Distribution System. Interconnection Customer's Interconnection Facilities are sole use facilities.

- aa. Interconnection Facilities Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Distribution Provider's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Section 16 of this Attachment 2.
- bb. Interconnection Facilities Completion Date: The date upon which the construction of the Distribution Provider's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.
- cc. Interconnection Facilities Cost: All costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Distribution Provider's Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 15 of this Attachment 2.
- dd. Interconnection Facilities Payment: The sum of the Interconnection Facilities Cost and associated One-Time Cost. The Interconnection Facilities Payment is provided in Section 17 of this Attachment 2.
- ee. ITCC (Income Tax Component of Contribution): The ITCC is equal to the estimated tax liability as described in FERC Order 2003 and FERC Order 2003-A and applicable to this SGIA pursuant to FERC Order 2006. ITCC is the Income Tax Component of Contribution described in the Preliminary Statement, Part M of the Distribution Provider's tariff on file with the CPUC. The ITCC applicable to the Distribution Upgrades Cost and Interconnection Facilities Cost is described in Section 11 of this Attachment 2 and is shown in Section 15 of this Attachment 2.
- ff. NERC: The North American Electric Reliability Corporation or its successor organization.
- gg. One-Time Cost: All costs determined by the Distribution Provider to be associated with the installation of the Delivery Network Upgrades, Distribution Upgrades, Distribution Provider's Interconnection Facilities, Reliability Network Upgrades, or Capital Additions which are not capitalized.
- hh. Point of Change of Ownership: The point, as set forth in Attachment 3 to this SGIA, where the Interconnection Customer's Interconnection Facilities connect to the Distribution Provider's Interconnection Facilities.
- ii. Reliability Network Upgrades: The additions, modifications, and upgrades to the Transmission System at or beyond the Point of Interconnection, identified in the interconnection studies, as identified in Attachment 6, necessary to interconnect the Small Generating Facility safely and reliably to the Distribution System, which would

not have been necessary but for the interconnection of the Small Generating Facility, including additions, modifications, and upgrades necessary to remedy short circuit or stability problems resulting from the interconnection of the Small Generating Facility to the Distribution System. The Reliability Network Upgrades also include, consistent with Applicable Reliability Standards and Applicable Reliability Council practice, the Distribution Provider's facilities necessary to mitigate any adverse impact the Small Generating Facility's interconnection may have on a path's Applicable Reliability Council rating. The Reliability Network Upgrades do not include any Delivery Network Upgrades.

- jj. Reliability Network Upgrades Cost: The Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Reliability Network Upgrades. The Reliability Network Upgrades Cost is provided in Section 15 of this Attachment 2.
- kk. Reliability Network Upgrades Payment: The sum of the Reliability Network Upgrades Cost and associated One-Time Cost. The Reliability Network Upgrades Payment is provided in Section 17 of this Attachment 2.
- ll. Removal Cost: The actual cost the Distribution Provider incurs for the removal of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or any portion thereof, which is calculated as the amount, if positive, of the costs of removal minus the salvage value of the Distribution Provider's Interconnection Facilities and Distribution Upgrades.
- mm. Small Generator Interconnection Agreement (SGIA): This Agreement entered into between the Parties.
- nn. Special Protection System ("SPS"): A system that reduces or trips generation under contingency outages to maintain system stability or to limit overloads on electric system facilities.
- oo. Tax Security: The Interconnection Customer's provision of security with respect to the Interconnection Customer's tax indemnification obligations, provided in accordance with Section 11 of this Attachment 2.
- pp. Trial Operation: The period during which the Interconnection Customer is engaged in on-site test operations and commissioning of an Electric Generating Unit prior to Commercial Operation.
- qq. Units of Property: As described in FERC's "List of Units of Property for Use in Connection with Uniform System of Accounts Prescribed for Public Utilities and Licensees" in effect as of the date of this SGIA, as such "List" may be amended from time to time.

9. Transmission Credits. None.

10. Security Amount for the Distribution Upgrades, the Distribution Provider's Interconnection Facilities and Network Upgrades.

- (a) Distribution Upgrades: Pursuant to Article 6.3 and Attachment 4 of the SGIA, the Interconnection Customer shall provide Credit Support in the total amount of \$60,844 to cover the costs for constructing, procuring and installing the Distribution Upgrades. Interconnection Customer shall post such amount in two installments in accordance with Section 17 of Attachment 2 and Attachment 4 of the SGIA. In the event that Interconnection Customer has provided insufficient funds to support the project, the Interconnection Customer shall post the additional Credit Support amount, as determined by the Distribution Provider, within ten (10) Business Days following a request for such support from the Distribution Provider. Pursuant to Article 6.3, the Credit Support and shall be reduced on a dollar-for-dollar basis for payments made to the Distribution Provider under this Agreement.
- (b) The Distribution Provider's Interconnection Facilities: Pursuant to Article 6.3 and Attachment 4 of the SGIA, the Interconnection Customer shall provide Credit Support in the total amount of \$247,301 to cover the costs for constructing, procuring and installing the Distribution Provider's Interconnection Facilities. Interconnection Customer shall post such amount in two installments in accordance with Section 17 of Attachment 2 and Attachment 4 of the SGIA. In the event that Interconnection Customer has provided insufficient funds to support the project, the Interconnection Customer shall post the additional Credit Support amount, as determined by the Distribution Provider, within ten (10) Business Days following a request for such support from the Distribution Provider. Pursuant to Article 6.3, the Credit Support and shall be reduced on a dollar-for-dollar basis for payments made to the Distribution Provider under this Agreement.
- (c) Network Upgrades: Pursuant to Article 6.3 and Attachment 4 of the SGIA, the Interconnection Customer shall provide Credit Support in the total amount of \$0 to cover the costs for constructing, procuring and installing the Network Upgrades.
- (d) To the extent that any Credit Support is not utilized by the Distribution Provider, the release of such Credit Support shall be made in accordance with the Interconnection Customer's instruction.

11. Security Amount for Estimated Tax Liability. The Interconnection Customer's estimated tax liability is as follows:

Current Tax Rate x (Gross Income Amount – Present Value of Tax Depreciation)/(1 – Current Tax Rate) = 35%

Estimated tax liability for Distribution Upgrades = 35% x (Distribution Upgrades Cost) = 35% x (\$60,844) = \$21,295

Estimated tax liability for Distribution Provider's Interconnection Facilities = 35% x

$$(\text{Interconnection Facilities Cost}) = 35\% \times (\$232,163) = \$81,257$$

Estimated tax liability assumes the following costs:

$$\text{Interconnection Facilities Cost} = \$232,163$$

$$\text{Distribution Upgrades Cost} = \$60,844$$

Based upon the total estimated tax liability, the Interconnection Customer shall provide the Distribution Provider cash or a letter of credit in the amount of \$102,552 in two installments, pursuant to Attachment 4 and Section 17 of Attachment 2 of the SGIA. The form of the letter of credit or cash shall meet the following requirements: 1) if the security provided by the Interconnection Customer for the estimated tax liability is cash, it shall be in the form of a cash deposit standing to the credit of the Distribution Provider and in an interest-bearing escrow account maintained at a bank or financial institution that is reasonably acceptable to the Distribution Provider, or such other form acceptable to the Distribution Provider; or 2) if the security provided by the Interconnection Customer for the estimated tax liability is a letter of credit, it shall be an irrevocable and unconditional letter of credit issued by a bank or financial institution that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's.

Upon notification of the Annual Tax Security Reassessment, the Interconnection Customer shall modify its Tax Security accordingly. If the Annual Tax Security Reassessment results in a deficiency in the Tax Security amount, the Interconnection Customer will be required to increase its Tax Security amount within 30 calendar days after receipt of the deficiency notification. If the Annual Tax Security Reassessment results in a reduction of the Tax Security amount, the Interconnection Customer may choose to reduce its Tax Security amount or maintain the Tax Security in the current amount for the following year.

The Annual Tax Security Reassessment will be calculated utilizing the following methodology:

- 1) Tax Assessment Event:

$$((\text{Current Tax Rate} \times (\text{Gross income} - \text{NPV Tax Depreciation})) + \text{Interest}) / (1 - \text{Current Tax Rate})$$
- 2) Subsequent Taxable Event:

$$(\text{Current Tax Rate} \times (\text{Replacement Facility Cost} - \text{NPV Tax Depreciation})) / (1 - \text{Current Tax Rate})$$

The Interconnection Customer's obligation to provide Tax Security shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by the Distribution Provider upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations. Upon termination of the Interconnection Customer's obligation to provide Tax Security, and Distribution Provider's

receipt of the Interconnection Customer's written instructions regarding the release of any unused Tax Security, any unused amount of the Tax Security shall be released to the Interconnection Customer.

12. Removal of the Distribution Provider's Interconnection Facilities and Distribution Upgrades. Following termination of the SGIA, the Distribution Provider will remove the Distribution Provider's Interconnection Facilities and Distribution Upgrades from service to the Interconnection Customer, pursuant to Article 3.3 of the SGIA. On or before the date one year following termination of the SGIA, the Distribution Provider shall notify the Interconnection Customer as to whether the Distribution Provider intends to physically remove the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or any part thereof. If the Distribution Provider intends to physically remove the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or any part thereof, then the Distribution Provider shall physically remove such facilities within two years from the date of notification of intent, and the Interconnection Customer shall pay the Removal Cost. If the Distribution Provider does not intend to physically remove the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or any part thereof, then the Interconnection Customer shall have no obligation to pay such Removal Cost.

13. Charges.

- a. The Interconnection Customer shall pay to the Distribution Provider the following charges in accordance with Sections 15, 16 and 17 of this Attachment 2 and the other provisions of this SGIA: (i) Distribution Upgrades Payment; (ii) Delivery Network Upgrades Payment; (iii) Interconnection Facilities Payment; (iv) Reliability Network Upgrades Payment; (v) payments for any Capital Additions; (vi) Distribution Upgrades Charge; (vii) Interconnection Facilities Charge; (viii) any reimbursable FERC fees pursuant to Section 14(h) of this Attachment 2; (ix) Removal Cost pursuant to Section 12 of this Attachment 2; (x) termination charges pursuant to Article 3.3.4 of the SGIA; and (xi) disconnection costs pursuant to Article 3.3.3 of the SGIA.
- b. The Distribution Upgrades Cost, Delivery Network Upgrades Cost, Interconnection Facilities Cost, Reliability Network Upgrades Cost, Capital Additions Cost, One-Time Cost and Removal Cost shall be compiled in accordance with Accounting Practice.
- c. If, during the term of the SGIA, the Distribution Provider executes an agreement to provide service to another entity (other than retail load) that contributes to the need for the Distribution Provider's Interconnection Facilities, the charges due hereunder may be adjusted to appropriately reflect such service based on the Distribution Provider's cost allocation principles in effect at such time and shall be subject to FERC's approval.
- d. If Capital Additions are required in order to benefit the Distribution Provider, or because of damage caused by negligence or willful misconduct of the Distribution Provider, then the Interconnection Customer will not bear cost responsibility for such Capital Additions; and no adjustment will be made to the Interconnection Facilities

Cost or the Distribution Upgrades Cost; and no Capital Additions Cost or One-Time Cost will be charged to the Interconnection Customer for such Capital Additions.

14. Supplemental Billing and Payment Provisions.

- a. Pursuant to Article 6 of the SGIA, the Distribution Provider shall submit to the Interconnection Customer invoices due for the preceding month for the Distribution Upgrades Payment, Delivery Network Upgrades Payment, Interconnection Facilities Payment and Reliability Network Upgrades Payment.
- b. Pursuant to Article 4.1.2 of the SGIA, commencing on or following the Interconnection Facilities Completion Date, each month the Distribution Provider will render bills to the Interconnection Customer for the Interconnection Facilities Charge. The Interconnection Facilities Charge shall initially be based on the estimated Interconnection Facilities Cost, as specified in Section 15 of this Attachment 2, and payments made for such Interconnection Facilities Charge shall be subject to later adjustment pursuant to Sections 14(b)(i) and 14(b)(ii) of this Attachment 2. The Interconnection Facilities Charge for the first and last month of service hereunder shall be pro-rated based on the number of days in which service was provided during said months.
 - i. If the amounts paid for the Interconnection Facilities Charge are less than the amounts due for the Interconnection Facilities Charge, as determined from the actual recorded Interconnection Facilities Cost, the Distribution Provider will bill the Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.
 - ii. If the amounts paid for the Interconnection Facilities Charge are greater than the amounts due for the Interconnection Facilities Charge, as determined from the actual recorded Interconnection Facilities Cost, the Distribution Provider will credit the Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.
- c. Commencing on or following the Distribution Upgrades Completion Date, each month the Distribution Provider will render bills to the Interconnection Customer for the Distribution Upgrades Charge. The Distribution Upgrades Charge shall initially be based on the estimated Distribution Upgrades Cost, as specified in Section 15 of this Attachment 2, and payments made for such Distribution Upgrades Charge shall be subject to later adjustment pursuant to Section 14(c)(i) and 14(c)(ii) of this Attachment 2. The Distribution Upgrades Charge for the first and last month of service hereunder shall be pro-rated based on the number of days in which service was provided during said months.

- i. If the amounts paid for the Distribution Upgrades Charge are less than the amounts due for the Distribution Upgrades Charge, as determined from the actual recorded Distribution Upgrades Cost, the Distribution Provider will bill the Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.
 - ii. If the amounts paid for the Distribution Upgrades Charge are greater than the amounts due for the Distribution Upgrades Charge, as determined from the actual recorded Distribution Upgrades Cost, the Distribution Provider will credit the Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.
- d. In the event that any portion of the Distribution Provider's Interconnection Facilities or Distribution Upgrades is not complete but, at the request of the Interconnection Customer, the Distribution Provider commences interconnection service under this SGIA notwithstanding the incomplete facilities, the Distribution Provider shall commence billing, and the Interconnection Customer shall pay, the Interconnection Facilities Charge and the Distribution Upgrades Charge, as applicable, commencing on the date that such service commences.
- e. In accordance with Article 4.1.2 of the SGIA, the Distribution Provider shall submit invoices to the Interconnection Customer for the preceding month for Capital Additions payments due, if any.
 - i. For Capital Additions that are the cost responsibility of the Interconnection Customer, the Distribution Provider will provide at least sixty (60) calendar days advance written notification to the Interconnection Customer prior to commencing work, except that the Distribution Provider may commence the work on the Capital Additions with either shorter advance written notification or written notification after the work has commenced, at the Distribution Provider's sole discretion, if the Distribution Provider determines that the Capital Additions are required to comply with safety or regulatory requirements or to preserve system integrity or reliability. Any such written notification will include the estimated cost of the Capital Additions, and the amount of and due date for the security, if any, required to be paid by the Interconnection Customer, which is sufficient to cover the costs for constructing, procuring and installing the Capital Additions consistent with the applicable terms of Article 6.3 of the SGIA.
 - ii. Except as provided in Section 13(d) of this Attachment 2, if certain of the Distribution Provider's Interconnection Facilities or Distribution Upgrades are removed to accommodate Capital Additions and such removal results in a change in the Interconnection Facilities Cost or Distribution Upgrades Cost, the Interconnection Facilities Charge or Distribution Upgrades Charge, as applicable, shall be adjusted to reflect the change in the Interconnection Facilities Cost or

Distribution Upgrades Cost, as applicable, as of the in-service date of such Capital Additions.

- iii. Except as provided in Section 13(d) of this Attachment 2, if Capital Additions result in an increase in the Interconnection Facilities Cost or Distribution Upgrades Cost, then the Interconnection Facilities Charge or Distribution Upgrades Charge, as applicable, shall be adjusted as of the in-service date of such Capital Additions to reflect the change in such costs.

- f. As soon as reasonably practicable, but within three (3) months after the in-service date of any Capital Additions, the Distribution Provider shall provide an invoice of the final cost of the construction of the Capital Additions to the Interconnection Customer, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. The Distribution Provider will refund to the Interconnection Customer any amount by which the payment made by the Interconnection Customer for estimated costs of the Capital Additions exceeds the actual costs of construction within thirty (30) calendar days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's payment made for the estimated costs of the Capital Additions, then the Interconnection Customer shall pay to the Distribution Provider any amount by which the actual costs of construction exceed the payment made by the Interconnection Customer for estimated costs within thirty (30) calendar days of the issuance of such final construction invoice.

- g. If, in accordance with the removal of the Distribution Provider's Interconnection Facilities and Distribution Upgrades, as specified in Section 12 of this Attachment 2, the Distribution Provider decides to physically remove the Distribution Provider's Interconnection Facilities or Distribution Upgrades, or any part thereof, the Distribution Provider shall render a bill to the Interconnection Customer for the Removal Cost. The Interconnection Customer shall pay the Removal Cost within thirty (30) calendar days of such bill. Such billing shall initially be based on the Distribution Provider's estimate of the Removal Cost. Within twelve (12) months following the removal of the Distribution Provider's Interconnection Facilities or Distribution Upgrades, or any part thereof, the Distribution Provider shall determine the actual Removal Cost and provide the Interconnection Customer with a final invoice. The Distribution Provider shall refund to the Interconnection Customer any amount by which the payment by the Interconnection Customer for the estimated Removal Cost exceeds the actual Removal Cost within thirty (30) calendar days of the issuance of such final invoice; or, in the event the actual Removal Cost exceeds the Interconnection Customer's payment for the estimated Removal Cost, then the Interconnection Customer shall pay to the Distribution Provider any amount by which the actual Removal Cost exceeds the payment by the Interconnection Customer for the estimated Removal Cost within thirty (30) calendar days of the issuance of such final invoice.

- h. The Interconnection Customer shall reimburse the Distribution Provider for all fees and charges related to the FERC fees and annual charges provided in Sections 381 and 382

of the FERC's regulations (18 C.F.R. § 381 and 382), as such regulation may from time to time be amended, that are imposed on the Distribution Provider attributable to the service provided under the SGIA, or any amendments thereto. The Distribution Provider will render bills to the Interconnection Customer for any such fees and charges incurred since the preceding billing. As of the Effective Date, no such fees and charges have been imposed on the Distribution Provider attributable to the service provided under the SGIA.

15. Distribution Upgrades Cost, Delivery Network Upgrades Cost, Interconnection Facilities Cost and Reliability Network Upgrades Cost Summary.

a. Estimated Cost:

Element-	Interconnection Facilities (IF) Cost	Reliability Network Upgrades Cost	Distribution Upgrades Cost	Delivery Network Upgrades Cost	One-Time Cost (IF)	Total	ITCC**
Interconnection Facilities: <ul style="list-style-type: none"> • One (1) primary riser pole • Approximately 100 ft of 336 ACSR conductor • Approximately 250 ft of underground 350 JCN cable • One automated 3-way gas switch • 12kV metering & associated wiring 	\$135,497					\$135,497	\$47,424
Interconnection Facilities: <ul style="list-style-type: none"> • Telemetry*** 					\$15,138	\$15,138	\$0
Distribution Upgrades: <ul style="list-style-type: none"> • One (1) bi-directional transducer 			\$60,844			\$60,844	\$21,295
Corporate Environmental Services	\$96,666					\$96,666	\$33,833
Real Property activities****		\$0				\$0	\$0
Reliability Network Upgrades		\$0				\$0	\$0
Describe Delivery Network Upgrades				\$0		\$0	\$0
Total	\$232,163	\$0	\$60,844	\$0	\$15,138	\$308,145	\$102,552

*Note: ITCC/Estimated Tax Liability will be provided pursuant to Attachment 2, Section 11.

**Note: The estimated cost for telemetry included above is based on the centralized RTU alternative. Should the Distribution Provider determine that a dedicated RTU is required to be installed locally at the Small Generating Facility, this SGIA shall be amended to include the cost and scope of a dedicated RTU as required by Distribution Provider’s Interconnection Handbook.

***Note: Not subject to on-going monthly charges.

****Note: The estimated cost does not include costs associated with Real Property activities which may be required for acquiring easements and rights checks of the Distribution Provider’s Interconnection Facilities and Distribution Upgrades.

All amounts shown above are in nominal dollars.

b. Actual Cost:

[TO BE INSERTED AFTER TRUE-UP OF ACTUAL COSTS]

Element	Interconnection Facilities Cost	Distribution Upgrades Cost	Reliability Network Upgrades Cost	Delivery Network Upgrades Cost	One-Time Cost	Total	ITCC
Total							

16. Interconnection Facilities Charge and Distribution Upgrades Charge.

- a. Interconnection Facilities Charge = Customer-Financed Monthly Rate x (Interconnection Facilities Cost)

Effective	Customer-Financed Monthly Rate	Estimated		Actual	
		Interconnection Facilities Cost	Interconnection Facilities Charge	Interconnection Facilities Cost	Interconnection Facilities Charge
As of the Interconnection Facilities Completion Date	0.39%	\$232,163	\$905.44	[to be inserted after true-up]	[to be inserted after true-up]

- b. Distribution Upgrades Charge = Customer-Financed Monthly Rate x (Distribution Upgrades Cost)

Effective	Customer-Financed Monthly Rate	Estimated		Actual	
		Distribution Upgrades Cost	Distribution Upgrades Charge	Distribution Upgrades Cost	Distribution Upgrades Charge
As of the Distribution Upgrades Completion Date	0.39%	\$60,844	\$237.29	[to be inserted after true-up]	[to be inserted after true-up]

17. Payment Schedule and Associated ITCC.

The payment amounts shown below are based on an estimate of the monthly incurred costs for the Distribution Upgrades, Distribution Provider's Interconnection Facilities, and Network Upgrades. If Interconnection Customer pays the Credit Support in cash, on each of the dates set forth below, Distribution Provider shall reduce such Credit Support cash balance and apply such amounts to the Distribution Upgrades Payment and Interconnection Facilities Payment (including the Interconnection Facilities One Time Cost) owed by Interconnection Customer.

Payment No.	Payment Due Date	Interconnection Facilities	Interconnection Facilities One Time Cost	Distribution Upgrades	Total Payment Amount	Credit Support*	Tax Security**
1	1/15/2015	\$11,595	\$756	\$3,039	\$15,390	\$123,786	\$41,197
2	2/15/2015	\$18,681	\$1,218	\$4,896	\$24,795		
3	3/15/2015	\$27,490	\$1,792	\$7,204	\$36,486		
4	4/15/2015	\$35,497	\$2,315	\$9,303	\$47,115		
5	5/15/2015	\$38,840	\$2,533	\$10,179	\$51,552	\$184,359	\$61,356
6	6/15/2015	\$35,497	\$2,315	\$9,303	\$47,115		
7	7/15/2015	\$27,490	\$1,792	\$7,204	\$36,486		
8	8/15/2015	\$18,681	\$1,218	\$4,896	\$24,795		
9	9/15/2015	\$11,595	\$756	\$3,039	\$15,390		
10	10/15/2015	\$6,797	\$443	\$1,781	\$9,021		
Totals		\$232,163	\$15,138	\$60,844	\$308,145	\$308,145	\$102,552

All amounts shown above are in nominal dollars.

Distribution Upgrades Payment = (Distribution Upgrades Cost + associated One-Time Cost) = \$60,844

Delivery Network Upgrades Payment = (Delivery Network Upgrades Cost + associated One-Time Cost) = \$0

Interconnection Facilities Payment = (Interconnection Facilities Cost + associated One-Time Cost) = \$247,301

Reliability Network Upgrades Payment = (Reliability Network Upgrades Cost + associated One-Time Cost) = \$0

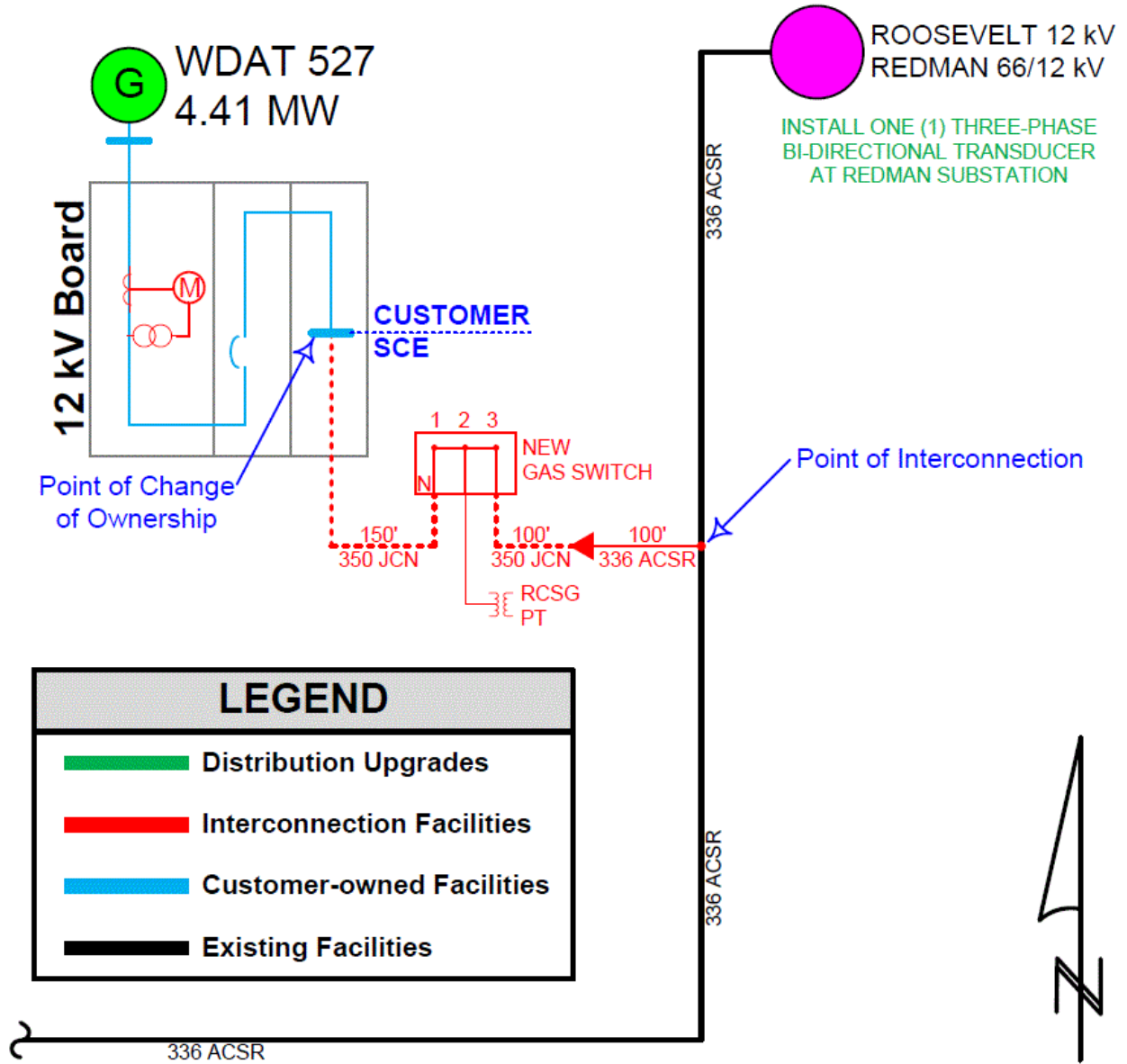
Transmission credits pursuant to Section 9 of this Attachment 2 = Reliability Network Upgrades Payment +
Delivery Network Upgrades Payment = \$0

*Credit Support and Tax Security will be provided by Interconnection Customer in accordance with Section 10 of this Attachment 2.

**Tax Security will be provided by Interconnection Customer in accordance with Section 11 of this Attachment 2.

Attachment 3

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



Attachment 4**Milestones**In-Service Date: October 1, 2015

Critical milestones and responsibility as agreed to by the Parties:

Item	Milestone	Responsible Party	Due Date
(a)	Submit proof of insurance coverage in accordance with Article 8.1 of the SGIA	Interconnection Customer	Within ten (10) calendar days after the Effective Date
(b)	Submittal of first posting of Credit Support (\$123,786) in accordance with the schedule in Section 17 of Attachment 2 of the SGIA for the Distribution Upgrades and Distribution Provider's Interconnection Facilities to the Distribution Provider pursuant to Section 10 of Attachment 2 of the SGIA	Interconnection Customer	On or prior to 01/15/2015
(b1)	Submittal of second posting of Credit Support (\$184,359) in accordance with the schedule in Section 17 of Attachment 2 of the SGIA for the Distribution Upgrades and Distribution Provider's Interconnection Facilities to the Distribution Provider pursuant to Section 10 of Attachment 2 of the SGIA	Interconnection Customer	On or prior to 05/15/2015
(c)	Submittal of first Tax Security installment (\$41,197) pursuant to Section 11 of Attachment 2 of the SGIA	Interconnection Customer	On or prior to 01/15/2015
(c1)	Submittal of second Tax Security installment (\$61,356) pursuant to Section 11 of Attachment 2 of the SGIA	Interconnection Customer	On or prior to 05/15/2015
(d)	Provide panel drawings, easements/lease agreements, grading plans, sewer and storm plot plans, landscape, sprinkler and pedestal locations, and	Interconnection Customer	Within thirty (30) calendar days after the Effective Date

Item	Milestone	Responsible Party	Due Date
	proposed location for the remote terminal unit (“Required Information”)		
(d1)	Complete design of Civil Construction necessary to support the Distribution Provider’s Interconnection Facilities	Distribution Provider	Sixty (60) business days from the completion of (d)
(d2)	Complete the construction of the Civil Construction	Interconnection Customer	Sixty (60) business days from the completion of (d1)
(e)	Completion of the Distribution Provider’s Interconnection Facilities, Distribution Upgrades, and Network Upgrades**	Distribution Provider	Within nine (9) months following the Effective Date* assuming that (d) has been provided by the due date and (d2) has been completed by the due date
(f)	Submittal of initial specifications for the Interconnection Customer’s Interconnection Facilities and Small Generating Facility, including system protection facilities, to the Distribution Provider	Interconnection Customer	At least one hundred eighty (180) calendar days prior to the Initial Synchronization Date
(g)	Submittal of initial information including the Distribution System information necessary to allow the Interconnection Customer to select equipment	Distribution Provider	At least one hundred eighty (180) calendar days prior to Trial Operation
(h)	Submittal of updated information by the Interconnection Customer, including manufacturer information	Interconnection Customer	No later than one hundred eighty (180) calendar days prior to Trial Operation
(i)	Review of and comment on the Interconnection Customer’s initial specifications	Distribution Provider	Within forty-five (45) calendar days of the Interconnection Customer’s submission of initial specifications
(j)	Submittal of final specifications for the Interconnection Customer’s Interconnection Facilities and Small Generating Facility, including system protection facilities, to the Distribution Provider	Interconnection Customer	At least ninety (90) calendar days prior to the Initial Synchronization Date.

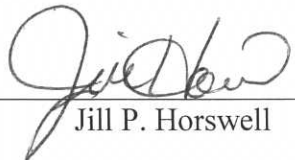
Item	Milestone	Responsible Party	Due Date
(k)	Review of and comment on the Interconnection Customer's final specifications	Distribution Provider	Within forty-five (45) calendar days of the Interconnection Customer's submission of final specifications
(l)	Notification of Balancing Authority Area to the Distribution Provider	Interconnection Customer	At least three (3) months prior to the Initial Synchronization Date
(m)	Proposed Interconnection Customer's Interconnection Facilities completion date	Interconnection Customer	October 1, 2015
(n)	Notification of testing and inspection of Interconnection Customer's Interconnection Facilities pursuant to Article 2.1.1 of the SGIA	Interconnection Customer	Within five (5) Business Days prior to such testing and inspection
(o)	Testing of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, Network Upgrades, and testing of the Interconnection Customer's Interconnection Facilities and Small Generating Facility in accordance with Article 2.1 of the SGIA	Interconnection Customer and Distribution Provider	At least sixty (60) calendar days prior to the Initial Synchronization Date
(p)	Performance of a complete calibration test and functional trip test of the system protection facilities	Interconnection Customer and Distribution Provider	At least sixty (60) calendar days prior to the In-Service Date
(q)	Submission of a written test report to the Distribution Provider, in accordance with Article 2.1.1 of the SGIA	Interconnection Customer	Within five (5) Business Days following completion of Interconnection Customer's testing and inspection
(r)	Written acknowledgement of Interconnection Customer's Interconnection Facilities written test report pursuant to Article 2.1.2 of the SGIA	Distribution Provider	Within five (5) Business Days of Interconnection Customer's submission of the test report
(s)	In-Service Date	Interconnection Customer	October 1, 2015

Item	Milestone	Responsible Party	Due Date
(t)	Notification of Interconnection Customer's intention to begin on-site verification testing of the Small Generating Facility pursuant to Article 2.3.1 of the SGIA	Interconnection Customer	Ten (10) Business Days prior to Interconnection Customer's verification testing date
(u)	Submission of written documentation reflecting Interconnection Customer's satisfaction of parallel operation requirements pursuant to Article 2.2.2 of the SGIA	Interconnection Customer	At least twenty (20) calendar days prior to the Initial Synchronization Date
(v)	Provide written approval to the Interconnection Customer for the operation of the Small Generating Facility, in accordance with Article 2.2.2 of the SGIA	Distribution Provider	At least fifteen (15) calendar days prior to the Initial Synchronization Date
(w)	Provide the ISO written notice that the required Distribution Provider facilities have been installed and tested, and that initial synchronization of the Small Generating Facility to the Distribution System is expected to occur on the Initial Synchronization Date	Distribution Provider	At least five (5) Business Days prior to the Initial Synchronization Date
(x)	Proposed Initial Synchronization Date/Trial Operation	Interconnection Customer	October 15, 2015
(y)	Provide the ISO written notice that the required Distribution Provider facilities have been installed and tested, and have been approved to allow the Small Generating Facility to operate in parallel with the Distribution System	Distribution Provider	Within five (5) calendar days after the Initial Synchronization Date and the Interconnection Customer's satisfaction of parallel operation requirements pursuant to Article 2.2.2
(z)	Proposed Commercial Operation Date	Interconnection Customer	November 1, 2015
(aa)	Submittal to the Distribution Provider of "as-built" drawings, information and documents for the Interconnection Customer's Interconnection Facilities, including the Civil Construction, and the Electric Generating Units	Interconnection Customer	Within one hundred twenty (120) calendar days after the Commercial Operation Date, unless otherwise agreed

* Note: The Interconnection Customer understands and acknowledges that such timeline is only an estimate and that equipment and material lead times, labor availability, outage coordination, regulatory approvals, right-of-way negotiations, or other unforeseen events could delay the actual in-service dates of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades beyond those specified. The Distribution Provider shall not be liable for any cost or damage incurred by the Interconnection Customer because of any delay in the work provided for in this SGIA.

** Note: The Distribution Provider acknowledges that the transducer upgrades required for this Project may not be in place at the time the Project is ready to interconnect. Without waiving Interconnection Customer's obligation to meet the transducer requirement, Distribution Provider agrees to allow the Project to be interconnected while the required transducer upgrades are completed.

Agreed to by:

For the Distribution Provider  Date July 30, 2014
Jill P. Horswell

For the Distribution Owner (If Applicable) _____ Date _____

For the Interconnection Customer  Date 19 Jul 2014
David Revelt

DR

Attachment 5**Additional Operating Requirements for the Distribution Provider's
Distribution System and Affected Systems Needed to Support
the Interconnection Customer's Needs**

The Distribution Provider shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the Distribution Provider's Distribution System.

- 1. Small Generating Facility:** All equipment and facilities comprising the Interconnection Customer's 4.41 net MW solar photovoltaic, Lancaster Solar I generating facility in Los Angeles County, California, as disclosed by the Interconnection Customer in its Interconnection Request, as may have been amended during the interconnection study process, which consists of (i) photovoltaic cell panels, seven (7) SMA Sunny Central 630CP-US, 630 kW (315 V) inverters, and three (3) 1400kVA 12470V/315V padmounted transformers, and one (1) 700kVA 12470/315V padmounted transformer, (ii) meters and metering equipment, and (iii) appurtenant equipment. The Lancaster Solar I Project shall consist of the Small Generating Facility and the Interconnection Customer's Interconnection Facilities.
- 2. Interconnection Customer Operational Requirements.**
 - (a) Pursuant to Article 1.5.2 of the SGIA, the Interconnection Customer shall operate the Small Generating Facility and the Interconnection Customer's Interconnection Facilities in accordance with the Tariff; the Applicable Reliability Council requirements; and Applicable Reliability Standards.
 - (b) The Small Generating Facility shall be operated so as to prevent or protect against the following adverse conditions on the Distribution Provider's electric system: inadvertent and unwanted re-energizing of a utility dead line or bus; interconnection while out of synchronization; overcurrent; voltage imbalance; ground faults; generated alternating current frequency outside permitted safe limits; power factor or reactive power outside permitted limits; and abnormal waveforms.
 - (c) The Parties agree that the Interconnection Customer shall not hold the Distribution Provider liable for damage to the Small Generating Facility that may be caused due to sympathetic generation tripping associated with the Interconnection Customer's Small Generating Facility design.
 - (d) Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard or any alternative Applicable Reliability Standard or applicable reliability council standard. In the event of a conflict among ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, or any alternative

Applicable Reliability Standard or applicable reliability council standard, the alternative Applicable Reliability Standard or applicable reliability council standard shall control.

- (e) The Interconnection Customer shall control the Small Generating Facility's output ramp rate so as to prevent adverse voltage conditions on the Distribution System. Such ramp rate control shall be in accordance with parameters, which may be modified from time to time by the Distribution Provider, set forth by the Distribution Provider and provided to the Interconnection Customer within 30 calendar days following the Distribution Provider's completion of final engineering for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades, as applicable.

3. Interconnection Principles:

- (a) This SGIA provides for interconnection of a total net capacity of 4.41 MW, resulting from the interconnection of the Lancaster Solar I Project, as described in Section 1 of this Attachment 5. The Interconnection Customer acknowledges that if the Interconnection Customer wishes to increase the amount of interconnection capacity provided pursuant to this SGIA, the Interconnection Customer shall be required to submit a new Interconnection Request in accordance with the terms and conditions of the Tariff.
- (b) The costs associated with any mitigation measures required to third party transmission systems, which result from interconnection of the Lancaster Solar I Project to the Distribution Provider's electrical system, are not reflected in this SGIA. The Distribution Provider shall have no responsibility to pay costs associated with any such mitigation measures. If applicable, the Interconnection Customer shall enter into an agreement with such third parties in accordance with Article 5.3 of the SGIA to address any required mitigation.
- (c) In the event the Distribution Provider's Interconnection Facilities are utilized to provide retail service to the Interconnection Customer in addition to the wholesale Interconnection Service provided herein, and the Interconnection Customer fails to make payment for such retail service in accordance with the Distribution Provider's applicable retail tariffs, then the Distribution Provider's Interconnection Facilities may be removed from service to the Interconnection Customer, subject to the notice and cure provisions of such retail tariffs, until payment is made by the Interconnection Customer pursuant to such retail tariffs.
- (d) Review by the Distribution Provider of the electrical specifications, design, construction, operation, or maintenance of the Lancaster Solar I Project shall not constitute any representation as to the economic or technical feasibility, operational capability, or reliability of such facilities. The Interconnection Customer shall in no way represent to any third party that any such review by the Distribution Provider of such facilities, including, but not limited to, any review of the design, construction,

operation, or maintenance of such facilities by the Distribution Provider, is a representation by the Distribution Provider as to the economic or technical feasibility, operational capability, or reliability of the Lancaster Solar I Project.

- (e) Prior to Commercial Operation, the Distribution Provider will verify that any required low-voltage ride-through, SCADA capability, and power factor correction equipment have been installed.
- (f) Interconnection Customer shall at all times indemnify, defend and save Distribution Provider harmless from any and all damages, losses, claims, demands, suits, recoveries, cost and expenses, court cost, attorney fees, and all other obligations by third parties, arising out of or resulting from the Interconnection Customer's construction of the Civil Construction, except in the case of gross negligence or intentional wrongdoing by Distribution Provider.
- (g) Prior to commencing construction of the Civil Construction, Distribution Provider shall review Interconnection Customer's construction documents and Interconnection Customer shall obtain Distribution Provider's approval of such documents. Such approval shall not be unreasonably withheld.
- (h) During construction of the Civil Construction, Distribution Provider shall have the right to access the Civil Construction to conduct inspections.
- (i) If at any time during construction, Distribution Provider determines that the Civil Construction does not meet Distribution Provider's standards and specifications, Interconnection Customer shall remedy such deficiencies.
- (j) Following completion of construction of the Civil Construction and prior to the in-service date of the Civil Construction, Distribution Provider shall provide final inspection and field testing of the Civil Construction, and Interconnection Customer shall obtain an inspection release from the proper inspection authority.
- (k) Following completion of the Civil Construction, the Distribution Provider may determine that the Civil Construction, or a portion thereof, in support of the interconnection for the Lancaster Solar I Project may need to be owned by the Distribution Provider. Upon such determination, the Civil Construction, or a portion thereof, will be reclassified as Distribution Provider's Interconnection Facilities and/or Distribution Upgrades, as applicable, and the Interconnection Customer shall be required to transfer ownership to the Distribution Provider. The Interconnection Customer understands and acknowledges that upon such transfer, it shall provide to Distribution Provider the final costs of the Civil Construction actually transferred in a form acceptable to the Distribution Provider, and it shall be responsible for the ITCC and Interconnection Facilities Charge and/or Distribution Upgrades Charge for the portion of the Civil Construction transferred to Distribution Provider. Any reclassification of the Civil Construction and the terms and conditions related to the transfer of the reclassified portions of the Civil Construction to the Distribution

Provider shall be reflected in an amendment to the SGIA.

- (l) Within one hundred-twenty (120) calendar days of the Commercial Operation Date, Interconnection Customer shall deliver to Distribution Provider “as-built” drawings, information, and any other documents that are required by Distribution Provider to assure that the Civil Construction is built to the standards and specifications required by Distribution Provider.
- (m) The Interconnection Customer shall complete and receive approval for all environmental impact studies and any permitting necessary for the construction, operation and maintenance of the Lancaster Solar I Project. The Interconnection Customer shall include the Distribution Provider’s Interconnection Facilities and Distribution Upgrades described in Attachments 2 and 6 of this SGIA in all such environmental impact studies, as appropriate. The Interconnection Customer shall provide the results of such studies and approvals to the Distribution Provider for use in the Distribution Provider’s application(s) to obtain the regulatory approvals required to be obtained by Distribution Provider for the construction, operation and maintenance of the Distribution Provider’s Interconnection Facilities and Distribution Upgrades described in Attachments 2 and 6 of this SGIA.
- (n) The Interconnection Customer is responsible for all costs associated with any necessary relocation of any of the Distribution Provider’s facilities as a result of the Lancaster Solar I Project and acquiring all property rights necessary for the Interconnection Customer’s Interconnection Facilities, including those required to cross the Distribution Provider’s facilities and property. The relocation of the Distribution Provider’s facilities or use of the Distribution Provider’s property rights shall only be permitted upon written agreement between the Distribution Provider and the Interconnection Customer. Any proposed relocation of the Distribution Provider’s facilities or use of the Distribution Provider’s property rights may require a study and/or evaluation, the cost of which would be borne by the Interconnection Customer, to determine whether such use may be accommodated. The terms and conditions of any such use of the Distribution Provider’s facilities or property rights would be the subject of a separate agreement and any associated costs to the Interconnection Customer would not be considered to be associated with a Network Upgrade or Distribution Upgrade and would not be refundable to the Interconnection Customer pursuant to Article 5.2.1 of this SGIA.
- (o) This SGIA does not address any requirements for standby power or temporary construction power that the Small Generating Facility may require prior to the Interconnection Facilities Completion Date. Should the Small Generating Facility require standby power or temporary construction power from the Distribution Provider prior to the Interconnection Facilities Completion Date, the Interconnection Customer is responsible to make appropriate arrangements with the Distribution Provider to receive and pay for such retail service.

4. Not Used.

5. Interconnection Operations:

- (a) The Interconnection Customer shall cause the Lancaster Solar I Project to participate in any SPS required to prevent thermal overloads and unstable conditions resulting from outages. Such participation shall be in accordance with applicable FERC regulations, and ISO Tariff provisions and protocols. The Interconnection Customer will not be entitled to any compensation from the Distribution Provider, pursuant to the SGIA, for loss of generation output when (i) the Small Generating Facility's generation is reduced or the Lancaster Solar I Project is tripped off-line due to implementation of the SPS; or (ii) such generation output is restricted in the event the SPS becomes inoperable. In accordance with Good Utility Practice, the Distribution Provider will provide the Interconnection Customer advance notice of any required SPS beyond that which has already been identified in this SGIA.
- (b) The SGIA governs the facilities required to interconnect the Small Generating Facility to Distribution Provider's electrical system pursuant to the Tariff and as described herein. Interconnection Customer shall be responsible for making all necessary operational arrangements with the ISO, including, without limitation, arrangements for obtaining transmission service from the ISO, and for scheduling delivery of energy and other services to the ISO Grid.
- (c) The Interconnection Customer acknowledges that the Small Generating Facility is subject to the ISO congestion management procedures set forth in the ISO Tariff. This may result in limiting the output of the Small Generating Facility in the ISO's markets. A Small Generating Facility's deliverability status does not affect how the resource is scheduled, dispatched, or curtailed in the ISO's markets.
- (d) Following outages of the Interconnection Facilities or the Small Generating Facility, the Interconnection Customer shall not energize the Lancaster Solar I Project for any reason without specific permission from the Distribution Provider's operations personnel. Such permission shall not be unreasonably withheld.
- (e) The Interconnection Customer shall maintain operating communications with the Distribution Provider's designated switching center. The operating communications shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled outages, equipment clearances, protective relay operations, and levels of operating voltage and reactive power.
- (f) As of the Effective Date the Small Generating Facility will have Energy-Only Deliverability Status, as such term is defined in the ISO Tariff. Any change in the deliverability status of the Small Generating Facility shall be made in accordance with the ISO Tariff.
- (g) The Distribution Provider may perform technical assessments when requested by the Interconnection Customer, directed by the ISO in accordance with the ISO Tariff, or as

deemed necessary by the Distribution Provider, at the Interconnection Customer's expense, with scope, timing and cost to be determined by the Distribution Provider.

- (h) Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Small Generating Facility with the Distribution System; (ii) operate and maintain the Small Generating Facility, the Interconnection Facilities and the Distribution Provider's electrical system; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this SGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party. The Interconnection Customer and Distribution Provider shall execute any necessary supplemental agreements, as determined by the Distribution Provider, to effectuate and record such easement(s) which provides the Distribution Provider unrestricted 24 hour access to Distribution Provider's Interconnection Facilities, and Distribution Upgrades, and Network Upgrades, if applicable, located on the Interconnection Customer's side of the Point of Change of Ownership for construction, operation, and maintenance.
- (i) Compliance with Applicable Reliability Standards: The Interconnection Customer shall comply with all Applicable Reliability Standards for the Interconnection Customer's Interconnection Facilities and the Small Generating Facility. The Distribution Provider will not assume any responsibility for complying with mandatory reliability standards for such facilities and offers no opinion as to whether the Interconnection Customer must register with NERC. If required to register with NERC, the Interconnection Customer shall be responsible for complying with all Applicable Reliability Standards for the Interconnection Customer's Interconnection Facilities and the Small Generating Facility up to the Point of Change of Ownership, as described in Section 5 of Attachment 2 of this SGIA.

6. Insurance:

As indicated below, the designated Party shall, at its own expense, maintain in force throughout the period of this SGIA, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

- (a) Employers' Liability and Workers' Compensation Insurance. The Distribution Provider and the Interconnection Customer shall maintain such coverage from the commencement of any construction activities providing statutory benefits for workers

compensation coverage and coverage amounts of no less than one million dollars (\$1,000,000) for employer's liability in accordance with the laws and regulations of the state in which the Point of Interconnection is located. The Distribution Provider shall provide the Interconnection Customer with evidence of such insurance within thirty (30) days of any request by the Interconnection Customer. The Interconnection Customer and contractor or any other person acting on Interconnection Customer's behalf shall provide evidence of such insurance thirty (30) calendar days prior to entry by any employee or contractor or other person acting on the Interconnection Customer's behalf onto any construction site to perform any work related to the Interconnection Facilities or Small Generating Facility.

- (b) **Commercial General Liability Insurance.** The Distribution Provider and the Interconnection Customer shall maintain commercial general liability insurance commencing within thirty (30) days of the Effective Date of this SGIA, Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of one million dollars (\$1,000,000) per occurrence/one million dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage. If the activities of the Interconnection Customer are being conducted through the actions of an affiliate, then the Interconnection Customer may satisfy the insurance requirements of this Attachment 5 Section 6(b) by providing evidence of insurance coverage carried by such affiliate and showing the Distribution Provider as an additional insured, together with the Interconnection Customer's written representation to the Distribution Provider that the insured affiliate is conducting all of the necessary pre-construction work. Within thirty (30) calendar days prior to the entry of any person on behalf of the Interconnection Customer onto any construction site to perform work related to the Interconnection Facilities or Small Generating Facility, the Interconnection Customer shall replace any evidence of affiliate insurance with evidence of such insurance carried by the Interconnection Customer, naming the Distribution Provider as additional insured.
- (c) **Business Automobile Liability Insurance.** Prior to the entry of any vehicles on any construction site in connection with work done by or on behalf of the Interconnection Customer, the Interconnection Customer shall provide evidence of coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of one million dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage. Upon the request of the Distribution Provider, the Interconnection Customer shall name the Distribution Provider as an additional insured on any such policies.
- (d) **Excess Liability Insurance.** Commencing at the time of entry of any person on its behalf upon any construction site for the Distribution Upgrades, Interconnection

Facilities, or Small Generating Facility, the Distribution Provider and the Interconnection Customer shall maintain excess liability insurance over and above the Employers' Liability, Commercial General Liability, and Business Automobile Liability Insurance coverage, with a minimum limit of one million dollars per MW, of Small Generating Facility capacity, rounded up to the nearest MW, per occurrence, up to a maximum of twenty million dollars (\$20,000,000) per occurrence/twenty million dollars (\$20,000,000) aggregate. Such insurance carried by the Distribution Provider shall name the Interconnection Customer as an additional insured, and such insurance carried by the Interconnection Customer shall name the Distribution Provider as an additional insured.

- (e) The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Liability Insurance policies shall name the other Party identified in the sections above, its parent, associated and affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this SGIA against the Other Party Group and provide thirty (30) calendar days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition. If any Party can reasonably demonstrate that coverage policies containing provisions for insurer waiver of subrogation rights, or advance written notice are not commercially available, then the Parties shall meet and confer and mutually determine to (i) establish replacement or equivalent terms in lieu of subrogation or notice or (ii) waive the requirements that coverage(s) include such subrogation provision or require advance written notice from such insurers.
- (f) The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.
- (g) The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this SGIA, which coverage may be in the form of extended reporting period coverage if agreed by the Parties.
- (h) The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this SGIA.
- (i) Within ten (10) calendar days following the Effective Date of this SGIA, and as soon as

practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) calendar days thereafter, each Party shall provide certification of all insurance required in this SGIA, executed by each insurer or by an authorized representative of each insurer.

- (j) Notwithstanding the foregoing, each Party may self-insure (a) to meet the insurance requirements of Section 6(a) of this Attachment 5, to the extent that it maintains a self-insurance program and is a qualified self-insurer within the state in which the Point of Interconnection is located, under the laws and regulations of such state; and (b) to meet the minimum insurance requirements of Sections 6(b) through 6(i) of this Attachment 5 to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Sections 6(b) through 6(i) of this Attachment 5. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Sections 6(b) through 6(i) of this Attachment 5. In the event that a Party is permitted to self-insure pursuant to Article 8 of this SGIA and Section 6(j) of this Attachment 5, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Section 6(i) of this Attachment 5.
- (k) The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this SGIA.

Attachment 6

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

The Distribution 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 Distribution Provider shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

1. Network Upgrades.

- a. **Reliability Network Upgrades.** None.
- (b) **Delivery Network Upgrades.** None.

2. Distribution Upgrades. The Distribution Provider shall:

- (a) Install one (1) bi-directional transducer at the Redman Substation.