

UNITED STATES OF AMERICA 100 FERC ¶ 61,192  
FEDERAL ENERGY REGULATORY COMMISSION

18 CFR Part 35

(Docket No. RM02-12-000)

Standardization of Small Generator Interconnection Agreements and Procedures

Advance Notice of Proposed Rulemaking

(Issued August 16, 2002)

**AGENCY:** Federal Energy Regulatory Commission.

**ACTION:** Advance Notice of Proposed Rulemaking.

**SUMMARY:** The Federal Energy Regulatory Commission (Commission) seeks comments on standard small generator interconnection agreements and procedures that would be applicable to all public utilities that own, operate, or control transmission facilities under the Federal Power Act. The small generator agreements and procedures also would apply to any non-public utility that seeks voluntary compliance with jurisdictional transmission tariff reciprocity conditions.

**DATES:** Written comments must be received by the Commission by November 4, 2002.

**ADDRESS:** Office of the Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

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**SUPPLEMENTARY INFORMATION:**

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;  
William L. Massey, Linda Breathitt,  
and Nora Mead Brownell.

Standardization of Small Generator Interconnection

Docket No. RM02-12-000

Agreements and Procedures

Advance Notice of Proposed Rulemaking

(Issued August 16, 2002)

1. The Federal Energy Regulatory Commission (Commission) proposes to adopt standard small generator interconnection agreements and procedures that would be applicable to all public utilities that own, operate, or control transmission facilities under the Federal Power Act, as discussed more fully below. The Commission requests comments on these contractual provisions and procedures. After considering these comments, the Commission will issue a notice of proposed rulemaking (NOPR).
2. The rulemaking is in the public interest because small generators will enhance competition in the energy market. The Commission expects that, as a result of this rulemaking, an increasing number of new generation resources will participate in the market, thereby furthering customer choice of technologies and fuels, allowing more

customer options in response to high generator prices, and facilitating development of non-polluting alternatives such as photovoltaics and small wind resources.

## **I. BACKGROUND**

3. The Commission issued an Advance Notice of Proposed Rulemaking (ANOPR) on October 25, 2001 in Docket No. RM02-1-000<sup>1</sup> to develop standardized generator interconnection agreements and procedures for all sizes of generators. We also initiated a collaborative process in which interested members of the electric industry, government, and the public (collectively, stakeholders) had an opportunity to provide input into the drafting of an interconnection procedures (IP) document and a standard interconnection agreement (IA). Public meetings of these stakeholders culminated in the development of a consensus IA and IP, which were filed with the Commission on January 11, 2002.

4. On April 24, 2002, the Commission issued its Notice of Proposed Rulemaking (Interconnection NOPR),<sup>2</sup> which included a standard IA and IP, proposed to be incorporated into existing and future open access transmission tariffs. The proposed IA and IP generally track the consensus documents filed with the Commission, but also resolved several important issues that remained in dispute after the stakeholder process.

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<sup>1</sup>Standardizing Generator Interconnection Agreements Procedures, Advance Notice of Proposed Rulemaking, FERC Stats. & Regs. ¶ 35,540 (2001).

<sup>2</sup>Standardization of Generator Interconnection Agreements and Procedures, Notice of Proposed Rulemaking, FERC Stats. & Regs. ¶ 32,560 (2002).

5. Section 14 of the IP contains expedited procedures for small generators (defined as generators of 20 megawatts (MW) or less). The Commission noted in the NOPR that it has jurisdiction over generator interconnections when a generator interconnects to a transmission provider's transmission system or makes wholesale sales in interstate commerce at either the transmission or distribution voltage level.<sup>3</sup>

6. The Commission's authority for these proposed rules is under sections 205 and 206 of the Federal Power Act.<sup>4</sup> Thus, the recent Atlantic City Electric appellate decision<sup>5</sup> is inapposite. In Atlantic City Electric, the court reasoned that the authority exercised by the Commission in Section 203 to require Commission approval prior to a utility's withdrawal from an ISO could not be reconciled with the voluntary nature of utilities' coordination and interconnection arrangements in section 202. The court also noted that the petitioners did not dispute Commission authority to take similar action under section 205. Because in this proceeding the Commission relies on sections 205 and 206 for the authority to require interconnection agreements and procedures, Atlantic City Electric has no bearing on the authority exercised here.

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<sup>3</sup>Standardization of Generator Interconnection Agreements Procedures, FERC Stats. & Regs. ¶ 32,560 at 34,178 (2002).

<sup>4</sup>New York v. FERC, 122 S.Ct. 1212 (2002).

<sup>5</sup>Atlantic City Electric Co. v. FERC, No. 97-1097 (D.C. Cir. July 12, 2002).

## II. DISCUSSION

7. In their comments on the interconnection NOPR, supporters of small generators<sup>6</sup> requested that the Commission adopt separate rules and procedures for interconnecting small generators. They argue that applying an IP and IA designed for larger generators to generators of 20 MW or less (i.e., small generators) will hinder small generator development. Supporters seek streamlined procedures and requirements that allow small generators to avoid unnecessary delay caused by interconnection studies and queues established for larger generators and their greater impact on the grid. The Small Generator Commenters, in their comments on the Interconnection NOPR, recommend detailed, simplified procedures and agreements that allow for quick, inexpensive, and simple interconnection for small generators up to and including 2 MW and a different procedure and agreement for units over 2 MW up to and including 20 MW.<sup>7</sup>

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<sup>6</sup>The Solar Energy Industries Association, the U.S. Fuel Cell Council, the American Solar Energy Society, the U.S. Combined Heat and Power Association, the International District Energy Association, and the American Wind Energy Association (collectively, the Small Generator Commenters).

<sup>7</sup>According to Small Generator Commenters, interconnection approval would be based on meeting national codes, standards and models for interconnected operations already used in Texas and the Pennsylvania-New Jersey-Maryland Interconnection (PJM)  
(continued...)

8. Consistent with these requests, the Commission is persuaded that we should develop separate small generator standardized IAs and IPs (SGIAs and SGIPs) to provide the right incentives for both transmission providers and small generators. Accordingly, the Commission proposes to adopt SGIAs and SGIPs that would be applicable to all public utilities that own, operate, or control transmission facilities under the Federal Power Act. To that end, we now sever the interconnection of generators up to and including 20 MW from the proposed rulemaking in Docket No. RM02-1-000 and treat them separately here.<sup>8</sup>

9. The Commission is considering basing the SGIAs and SGIPs on those filed by the Small Generator Commenters. The Commission notes that while these SGIAs and SGIPs are not identical to the ERCOT and PJM models, certain of their features make them appropriate models for development of a separate rule.<sup>9</sup> First, these proposals are based on existing agreements and procedures accepted by several states and benefit from

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<sup>7</sup>(...continued)

and which contain all the necessary reliability protections in simple, understandable, and effective terms. For generators meeting these criteria, very limited or no review would be required by the transmission provider.

<sup>8</sup>Comments involving small generator issues that have a bearing on the final rule to be issued in Docket No. RM02-1-000 will still be considered in that proceeding.

<sup>9</sup>The SGIP and SGIA for generators up to and including 2 MW is based on the documents adopted and approved by the Texas Public Utility Commission. The other SGIP and SGIA is based on the PJM model, which has been applied in the PJM member states, which include Delaware, Maryland, New Jersey, and Pennsylvania.

the work undertaken in those fora to craft procedures and agreements acceptable to all parties. Second, the documents offer a reasonable balancing of burdens. In particular, if certain conditions are met that show "no impact"<sup>10</sup> on the transmission grid, the burden is placed on the transmission provider to justify any refusal to permit the interconnection or require specific system upgrades. Should the small generator not meet the "no impact" threshold test, simple studies can be completed by the transmission provider to determine required system upgrades. Third, these conditions have proven helpful in the Electric Reliability Council of Texas (ERCOT) and PJM. A similar threshold used in PJM's Small Resource Interconnection tariff provisions for generators up to and including 10MW is working well.<sup>11</sup> Given the features of these SGIA's and SGIP's and their track record, we conclude that they should be used in an advance NOPR process for small generator interconnections.

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<sup>10</sup>A presumption of "no impact" will normally be made if the following conditions are met: (1) the project's export of electricity (net of on-site load) would not exceed, cumulatively with all prior small resources on the system, (a) 15% of the peak load on a radial system feeder or (b) 25% of the minimum load on a network link, and (2) the project's capability does not exceed 25% of the maximum short circuit potential.

<sup>11</sup>Since this program was initiated in 1999, PJM has interconnected some 19 small generators. PJM engineers state that the program seems to work well and 99% of the time they can work the small generator out of queue order and expedite interconnection with no problems. Transmission providers have not filed major complaints and an informal survey of regulators (Maryland Public Service Commission, Pennsylvania Public Utility Commission, Delaware Public Service Commission, and New Jersey Board of Public Utilities) revealed only support for this process.

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10. The Commission, therefore, offers these SGIAs and SGIPs as models, and concludes that the procedures and terms of these proposals balance interconnection procedures with reliability and grid impact. But we are open to any proposals that may better meet the goals of this rulemaking. We find these SGIAs and SGIPS a valuable and efficient starting point from which to initiate further discussion and build consensus between the parties. Accordingly, these SGIPs and SGIAs, which already represent the efforts of industry participants, will provide a solid foundation as a proposal that will be developed into a subsequent NOPR. The proposals are attached to this ANOPR as Attachment A (for units up to and including 2 MW) and Attachment B (for units over 2 MW up to and including 20 MW).

11. The Commission strongly encourages interested persons to pursue consensus on these SGIPs and SGIAs. To this end the Commission proposes to convene one or more conferences to enable the parties to discuss and reach agreement on the proposed SGIAs and SGIPs. The initial meeting will be open to all interested parties. The meeting will take place September 9 and 10, 2002, at 10:00 a.m., at the Federal Energy Regulatory Commission, 888 First St. NE, Washington, DC. The expectations for this meeting will be for the participants to form working groups for the purpose of developing consensus SGIAs and SGIPs for small generators up to and including 2MW and also for small

generators over 2 MW up to and including 20 MW.<sup>12</sup> In addition, the Commission has established a dedicated web page to facilitate the consensus-building and collaborative process at <smallgen.intranets.com>. The Commission will issue a NOPR before the end of the year, with the expectation that a final rule will be issued in March 2003.

12. Commenters advocating standard small generator agreements and procedures other than the models in Attachments A and B must specify in detail how their proposals differ from the foregoing and are superior to the proposals herein. Any approaches suggested by commenters must serve the public interest by promoting competition and economic efficiency. We are particularly interested in efforts to incorporate into our proposed SGIA and SGIPs the draft distributed generation interconnection procedures and agreement recently released by the National Association of Regulatory Utility Commissioners.

13. By November 4, 2002, the comment deadline, participants will file their SGIP and SGIA documents reflecting as much consensus as possible as well as specific language proposals and pros and cons for any unresolved issues. Parties disagreeing with particular

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<sup>12</sup>We note that the procedures in Attachments A and B differ in the manner in which they are incorporated into the transmission provider's open access transmission tariff (OATT). The procedures in Attachment A would be appended to the interconnection procedures proposed in the rulemaking in Docket No. RM02-1-000, and the procedures in Attachment B would be added directly to the text of a transmission provider's OATT. We encourage parties to reach consensus on which method is preferred.

provisions must offer alternative provisions and a full explanation of and justification for the change. Any consensus reached among all interested persons will be considered by the Commission as it prepares the subsequent NOPR, to the extent consistent with the Commission's statutory responsibilities.

### **III. COMMENT PROCEDURES**

14. The Commission invites interested persons to submit comments, data, views and other information concerning matters set out in this notice.

15. To facilitate the Commission's review of the comments, commenters are requested to provide an executive summary of their positions. Commenters are requested to identify each specific issue posed by the ANOPR that their discussion addresses and to use appropriate headings that clearly identify the relevant SGIA and SGIP sections.

Additional issues the commenters wish to raise should be identified separately. The commenters should double-space their comments.

16. Comments may be filed on paper or electronically via the Internet and must be received by the Commission by November 4, 2002. Comments should include an executive summary. Those filing electronically do not need to make a paper filing. For paper filings, the original and 14 copies of initial and reply comments should be submitted to the Office of the Secretary, Federal Energy Regulatory Commission, 888 First Street, N.E., Washington D.C. 20426 and should refer to Docket No. RM02-12-000.

17. Documents filed electronically via the Internet can be prepared in a variety of formats, including WordPerfect, MS Word, Portable Document Format, Real Text Format, or ASCII format, as listed on the Commission's web site at <http://ferc.gov>, under the e-Filing link. The e-Filing link provides instructions for how to Login and complete an electronic filing. First time users will have to establish a user name and password. The Commission will send an automatic acknowledgment to the sender's E-Mail address upon receipt of comments. User assistance for electronic filing is available at 202-208-0258 or by E-Mail to [efiling@ferc.gov](mailto:efiling@ferc.gov). Comments should not be submitted to the E-Mail address.

18. All comments will be placed in the Commission's public files and will be available for inspection in the Commission's Public Reference Room at 888 First Street, N.E., Washington, D.C. 20426, during regular business hours. Additionally, all comments may be viewed, printed, or downloaded remotely via the Internet through either FERC's Homepage using the Federal Energy Regulatory Records Information System (FERRIS) link or the dedicated Small Generator web page.

#### **IV. DOCUMENT AVAILABILITY**

19. The Commission provides all interested persons an opportunity to view and/or print the contents of this document via the Internet through FERC's Home Page (<http://www.ferc.gov>) and in FERC's Public Reference Room during normal business

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hours (8:30 a.m. to 5:00 p.m. Eastern time) at 888 First Street, N.E., Room 2A, Washington, DC 20426. This document will be published in the Federal Register.

20. From FERC's Home Page on the Internet, this information is available in FERRIS.

The full text of this document is available on FERRIS in PDF and WordPerfect format for viewing, printing, and/or downloading. To access this document in FERRIS, type the docket number excluding the last three digits of this document in the docket number field.

21. User assistance is available for FERRIS and the FERC's website during normal business hours from our Help line at (202) 208-2222 or the Public Reference Room at (202) 208-1371 Press 0, TTY (202) 208-1659. E-Mail the Public Reference Room at [public.referenceroom@ferc.gov](mailto:public.referenceroom@ferc.gov).

By direction of the Commission.

( S E A L )

Linwood A. Watson, Jr.,  
Deputy Secretary.

**Attachment A**

**Expedited Interconnection Procedures – Small Generators (up to and including 2 MW)**  
(To be included with Section 14.2.3 of the Interconnection Procedures  
under consideration in FERC Docket RM02-1-000)

1. Application and Definitions

- a. This expedited interconnection procedure is available for small generators up to and including 2 MW in size that will participate in a FERC regulated market, sell power for resale in interstate commerce or are interconnected to a FERC regulated transmission line. These procedures apply only to generators that meet certain national standards addressing technical requirements for continuous interconnected operation of small generators. In addition the generator must meet certain criteria regarding the relationship between the size of the generator and the size of the circuit to which they will interconnect. Small generators meeting these standards are entitled to a presumption of approval of the interconnection without additional testing, fees, or other requirements imposed by the interconnecting Transmission Provider or any Affected System utility.

Although generators meeting all the standards herein are entitled to a presumption of approval, the presumption is rebuttable. Should the Transmission Provider or Affected System petition the FERC to require additional testing because of special circumstances and received Commission approval, the generator would then have to undergo additional testing and interconnection study at the generator's expense.

- b. Definitions: Unless otherwise defined herein, terms shall have the meanings specified in Article 1 of the Standard Generator Interconnection Procedures issued in FERC Docket No. RM02-1-000

2. National Codes and Standards

Small generators must comply with all national codes and standards applicable to the ongoing interconnected operation of a small generator with the electricity grid.

3. Technical Requirements

Under the national codes and standards applicable to small interconnected generators, a generator may not energize or re-energize a circuit unless grid voltage is present and within normal operating bounds. A small generator must immediately and automatically disconnect from the grid and cease interconnected operations any time the grid is de-energized or outside of normal operating bounds. The codes and standards also dictate acceptable operating conditions for the small generators including, but not limited to, voltage, frequency and harmonics.

4. Threshold for Determination of the Presumption of No Grid Impact

For interconnections on radial circuits the small generator (in aggregate with other generation on the circuit) may not exceed 15 percent of the total measured peak load or design capacity of the circuit (as most recently measured at the substation). For interconnections on networked circuits, the small generator (in aggregate with other generation on the circuit) may not exceed 25 percent of the minimum measured load on the circuit. A small generator may not contribute more than 25 percent of the maximum short circuit current at the point of interconnection.

5. Analysis of Interconnection - Limited Interconnection Studies - Costs

If a small generator meets all of the criteria in Sections 1 - 4, the impact and facilities studies are waived. A limited feasibility study may be conducted to determine compliance with the load and short circuit contributions in Section 4. This study must be completed in 15 days after acceptance of a valid interconnection request. Costs to the generator are waived if short circuit calculations have recently been performed in the area of the interconnection or if the short circuit and load thresholds are sufficiently greater than the generator capacity that no calculations are needed.

6. Disputes

If a dispute arises during the application of these procedures, either the generator or Transmission Provider may seek immediate resolution through FERC's alternative dispute resolution process. At the generator's option, dispute resolution will be binding. Alternative dispute resolution may include any dispute

resolution services made available by the FERC including those that occur by telephone.

Should a Transmission Provider desire a waiver from these procedures that would otherwise apply to the small generator interconnection, the Transmission Provider must seek such waiver from FERC within 15 days of the receipt of a valid small generator interconnection request. The Transmission Provider shall have the burden to show, in a clear and convincing manner, why the application of these rules would result in an unsafe or unreliable interconnection or that the interconnection would interfere with the quality of electric service to other customers.

7. Capacity and Energy. Metering.

Small generators are entitled to participate in any available energy and capacity markets and receive the appropriate compensation due to participants in those markets. Metering shall be installed as needed to participate in the various markets.

**STANDARD AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF SMALL GENERATION SYSTEMS (Pre-certified systems up to and including 2 MW)**

This Interconnection Agreement ("Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_, ("Transmission Provider"), and \_\_\_\_\_ ("Generator"), a [specify whether corporation, and if so name state, municipal corporation, cooperative corporation, or other], each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties". In consideration of the mutual covenants set forth herein, the Parties agree as follows:

**1. Definitions**

Unless otherwise defined herein, terms in this Agreement shall have the meanings specified in Article 1 of the STANDARD GENERATOR INTERCONNECTION AND OPERATING AGREEMENT (IA) issued in FERC Docket No. RM02-1-000.

**2. Scope of Agreement** -- This Agreement is applicable to conditions under which the Transmission Provider and the Generator agree that one or more generating facility or facilities up to and including two (2) MW to be interconnected to the Transmission Provider's system, as described in Exhibit A.

**3. Establishment of Point(s) of Interconnection** -- Transmission Provider and Generator agree to interconnect the Facility at the locations specified in this Agreement and in accordance with Federal Energy Regulatory Commission Rules relating to Interconnection of Small Generation systems.

**4. Responsibilities of Transmission Provider and Generator** -- Each Party will, at its own cost and expense, operate, maintain, repair, and inspect, and shall be fully responsible for, Facility or Facilities which it now or hereafter may own unless otherwise specified on Exhibit A. Generator shall conduct operations of its facility(s) in compliance with all aspects of the Rules, and Transmission Provider shall conduct operations on its utility system in compliance with all aspects of the Rules, or as further described and mutually agreed to in the applicable Facility Schedule. Maintenance of Generator and associated interconnection equipment shall be performed in accordance with the applicable manufacturer's recommended maintenance schedule. The Parties agree to cause their Facilities or systems to be constructed in accordance with applicable specifications equal to or greater than those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE and Underwriter's Laboratory in effect at the time of construction. Each Party covenants and agrees to design, install, maintain, and operate, or cause the design, installation, maintenance, and operation of its transmission and distribution system and related Facilities and Units so as to reasonably minimize the likelihood of a disturbance, originating in the system of one Party, affecting or impairing the system of the other Party, or other systems with which a Party is interconnected.

Transmission Provider will notify Generator if there is evidence that the operation of Generator's equipment causes disruption or deterioration of service to other customers served from the same grid or if the generator operation causes damage to Transmission Provider's or Affected Systems. Generator will notify Transmission Provider of any emergency or hazardous condition or occurrence with the Generator's Unit(s) which could affect safe operation of the system.

**5. Limitation of Liability and Indemnification**

The Parties shall at all times indemnify, defend, and save 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 performance of obligations under this Agreement on behalf of the indemnifying Party, except in cases of negligence or intentional wrongdoing by the indemnifying Party.

**6. Right of Access, Equipment Installation, Removal & Inspection**– Upon reasonable notice, the Transmission Provider may send a qualified person to the premises of the Generator at or immediately before the time the Facility first produces energy to inspect the interconnection, and observe the Facility's commissioning (including any testing), startup, and operation for a period of up to no more than three days after initial startup of the unit.

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, Transmission Provider shall have access to Generator'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.

**7. Disconnection of Unit** – Generator retains the option to disconnect from Transmission Provider's utility system. Generator will notify the Transmission Provider of its intent to disconnect by giving the Transmission Provider at least thirty days' prior written notice. Such disconnection shall not be a termination of the agreement unless Generator exercises rights under Section 7.

Generator shall disconnect Facility from Transmission Provider's system upon the effective date of any termination under Section 7.

Subject to Commission Rule, for routine maintenance and repairs on Transmission Provider's utility system, Transmission Provider shall provide Generator with seven business days' notice of service interruption. Transmission Provider shall have the right to suspend service in cases where continuance of service to Generator will endanger persons or property. During the forced outage of the Transmission Provider's utility system serving Generator, Transmission Provider shall have the right to suspend service to effect immediate repairs on Transmission Provider's utility system, but the Transmission Provider shall use its best efforts to provide the Generator with reasonable prior notice.

**8. Effective Term and Termination Rights**-- This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. The agreement may be terminated for the following reasons:

(a) Generator may terminate this Agreement at any time, by giving the Transmission Provider sixty days' written notice;

(b) Transmission Provider may terminate upon failure by the Generator to generate energy from the Facility in parallel with the Transmission Provider's system within twelve months after completion of the interconnection;

(c) either party may terminate by giving the other party at least sixty days prior written notice that the other Party is in default of any of the material terms and conditions of the Agreement, so long as the notice specifies the basis for termination and there is reasonable opportunity to cure the default; or

(d) Transmission Provider may terminate by giving Generator at least sixty days notice in the event that there is a material change in an applicable rule or statute.

**9. Governing Law and Regulatory Authority** -- The validity, interpretation and performance of this Agreement and each of its provisions shall be governed by the laws of the State 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, rules, or regulations of a Governmental Authority.

**10. Amendment** --This Agreement may be amended only upon mutual agreement of the Parties, which amendment will not be effective until reduced to writing and executed by the Parties.

**11. Entirety of Agreement and Prior Agreements Superseded** -- This Agreement, including all attached Exhibits and Facility Schedules, which are expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the facilities of the Parties at the Points of Interconnection expressly provided for in this Agreement. The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof not set forth or provided for herein. This Agreement replaces all prior agreements and undertakings, oral or written, between the Parties with regard to the subject matter hereof, including without limitation [specify any prior agreements being superseded], and all such agreements and undertakings are agreed by the Parties to no longer be of any force or effect. It is expressly acknowledged that the Parties may have other agreements covering other services not expressly provided for herein, which agreements are unaffected by this Agreement.

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**12. Notices** -- Notices given under this Agreement are deemed to have been duly delivered if hand delivered or sent by United States certified mail, return receipt requested, postage prepaid, to:

(a) If to Transmission Provider:

(b) If to Generator:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The above-listed names, titles, and addresses of either Party may be changed by written notification to the other, notwithstanding Section 10.

**13. Invoicing and Payment** -- Invoicing and payment terms for services associated with this agreement shall be consistent with applicable Rules of the Commission.

**14. 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.

**15. No Waiver** -- 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 to waive the obligations, rights, or duties imposed upon the Parties.

**16. Headings** -- The descriptive headings of the various articles and sections of this Agreement have been inserted for convenience of reference only and are to be afforded no significance in the interpretation or construction of this Agreement.

**17. 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.

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

[Transmission Provider NAME]

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

[Transmission owner NAME (if different from Transmission Provider)]

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

[Generator NAME]

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

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**EXHIBIT A to the agreement**

**FACILITY SCHEDULE NO. \_\_\_\_\_**

[The following information is to be specified for each Point of Interconnection, if applicable.]

1. Name:
2. Facility location:
3. Delivery voltage:
4. Metering (voltage, location, losses adjustment due to metering location, and other):
5. Normal Operation of Interconnection:
6. One line diagram attached (check one): \_\_\_\_\_ Yes / \_\_\_\_\_ No
7. Facilities to be furnished by Transmission Provider (usually none):
8. Facilities to be furnished by Generator (usually contained with pre-certified generator):
9. Cost Responsibility (if any):
10. Control area interchange \_\_\_\_\_
11. Supplemental terms and conditions attached (check one): \_\_\_\_\_ Yes / \_\_\_\_\_ No

**EXHIBIT B to the agreement**

**Small Generator Interconnection Application**

(For use with Generators up to and including 2 MW)

An applicant (Generator Owner) makes application to \_\_\_\_\_ (Transmission Provider) to install and operate a generating facility up to and including 2 MW interconnected with the \_\_\_\_\_ utility system.. This application, unless otherwise established at the scoping meeting between Generator Owner and Transmission Provider, will be considered as application for a feasibility study for generators under Federal Energy Regulatory Commission rules for expedited treatment of generators up to and including 2 MW in capacity.

**Section 1, Applicant Information**

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Facility Location (if different from above): \_\_\_\_\_

Telephone (Daytime): Area Code \_\_\_\_\_ Number \_\_\_\_\_ (Evening) Area Code \_\_\_\_\_ Number \_\_\_\_\_

Account No. (if applicable): \_\_\_\_\_ Pole Number: \_\_\_\_\_

Energy Service Provider Name: \_\_\_\_\_

**Section 2, Generator Qualifications**

(informational only) Is the generator a Qualifying Facility as defined under Subpart B, Section 201 of the Federal Energy Regulatory Commission's regulations per the Public Utility Regulatory Policies Act of 1978?

\_\_\_\_\_ Yes \_\_\_\_\_ No

Is Generator powered from a Renewable Qualifying Energy Source: \_\_\_\_\_ Yes \_\_\_\_\_ No

Type Qualifying Energy Source (if applicable): \_\_\_\_\_ Solar \_\_\_\_\_ Wind \_\_\_\_\_ Hydro \_\_\_\_\_ Other

Other generator energy source: \_\_\_\_\_ Diesel, Natural Gas \_\_\_\_\_ Diesel, Fuel Oil Other: \_\_\_\_\_  
(State type)

Will excess power be exported? \_\_\_\_\_ Yes \_\_\_\_\_ No

Site Load: \_\_\_\_\_ kW (Typical) Maximum Export: \_\_\_\_\_ kW.

**Section 3, Generator Technical Information**

Type of Generator: \_\_\_\_\_ Synchronous \_\_\_\_\_ Induction \_\_\_\_\_ DC Generator or Solar with Inverter

Generator (or solar collector) Manufacturer, Model Name & Number: \_\_\_\_\_

(A copy of Generator Nameplate and Manufacturer's Specification Sheet may be substituted)

Output Power Rating in kW: \_\_\_\_\_ Single phase \_\_\_\_\_ Three phase

Inverter Manufacturer, Model Name & Number (if used): \_\_\_\_\_



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Manufacturer: \_\_\_\_\_ Type: \_\_\_\_\_ Accuracy Class: \_\_\_\_\_ Proposed Ratio Connection: \_\_\_\_\_/5

Manufacturer: \_\_\_\_\_ Type: \_\_\_\_\_ Accuracy Class: \_\_\_\_\_ Proposed Ratio Connection: \_\_\_\_\_/5

**Section 5, General Technical Information**

Enclose copy of site One-Line Diagram showing configuration and interconnection of all equipment, current and potential circuits and protection and control schemes. Is One-Line Diagram Enclosed?: \_\_\_\_\_ Yes

Enclose copy of any site documentation that describes and details the operation of the protection and control schemes. Is Any Available Documentation Enclosed?: \_\_\_\_\_ Yes

Enclose copies of schematic drawings for all protection and control circuits, relay current circuits, relay potential circuits, and alarm/monitoring circuits (if applicable). Are Schematic Drawings Enclosed? \_\_\_\_\_ Yes

**Section 6, Installation Details**

Installing Electrician: \_\_\_\_\_ Firm: \_\_\_\_\_ License No.: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone: Area Code: \_\_\_\_\_ Number: \_\_\_\_\_

Installation Date: \_\_\_\_\_ Interconnection Date: \_\_\_\_\_

Supply certification that the generating system has been installed and inspected in compliance with the local Building/Electrical code of the municipality of \_\_\_\_\_

Signed (Inspector): \_\_\_\_\_ Date: \_\_\_\_\_

(In lieu of signature of Inspector, a copy of the final inspection certificate may be attached)

**Section 7, Generator/Equipment Certification**

Generating systems must be compliant with *IEEE, NEC, ANSI, and UL standards*. **By signing below, the Applicant certifies that the installed generating equipment meets the appropriate preceding requirement(s) and can supply documentation that confirms compliance.**

Signed (Applicant): \_\_\_\_\_ Date: \_\_\_\_\_

**Section 8, Applicant Signature**

**I hereby certify that, to the best of my knowledge, all the information provided in the Interconnection Application is true and correct. I also agree to install a Warning Label provided by (utility) on or near my service meter location.**

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Signature of Applicant: \_\_\_\_\_ Date: \_\_\_\_\_

Send the completed application to:

(Utility Address)

This section for use by \_\_\_\_\_(utility) Only

**Section 9, Approval or Non-Approval**

(utility): \_\_\_\_\_ Has Approved \_\_\_\_\_ Has Not Approved this Interconnection Application.

Name : \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Reason for Not Approving:

**Approval to connect to the Company system indicates only that the minimum requirements for a safe proper interconnection have been satisfied. Such approval does not imply that the Generator Owner's facility meets all federal, state and local standards or regulations.**

**Section 10, Internal Notifications**

Send Applicant Warning Label for installing on/ near service meter: \_\_\_\_\_Yes

Notify Billing Dept. of Interconnected Generation: \_\_\_\_\_Yes

Notify District Engineering of Interconnected Generation: \_\_\_\_\_Yes

Notify System Protection of Interconnected Generation: \_\_\_\_\_Yes

**Attachment B**

**Small Resource Interconnection Procedures  
Draft Open Access Transmission Tariff Provisions**

Original Sheet No. \_\_\_\_\_ [TRANSMISSION OWNER]  
FERC Open Access Transmission Tariff

**SMALL RESOURCE INTERCONNECTION PROCEDURES**

Requests for the interconnection of new generation resources over 2 MW up to and including 20 MegaWatts (MW) ("small resource") shall be processed, pursuant to this Section \_\_\_\_\_ of the Tariff, through expedited procedures. These provisions describe procedures for such "small resource" additions.

Such small resources may participate in [TRANSMISSION OWNER's] energy and capacity markets and may, therefore, be used by load serving entities to meet capacity obligations imposed under all applicable Agreements. These procedures apply to generation resources which, when connected to the system, are expected to remain connected to the system for the normal life span of such a generation resource. These procedures do not apply to small resources that are specifically being connected to the system temporarily, with the expectation that they will later be removed.

**Section 1.01 - Application and Information Availability**

The Interconnection Customer desiring the interconnection of a new capacity resource over 2 MW up to and including 20 MW must submit a completed Feasibility Study Request. No deposit or other advance payment is required from small resources, but all information required by the Feasibility Study Request related to the generating project site, point of interconnection, and generating unit size and configuration must be provided. To assist Interconnection Customers in avoiding Feasibility Study Requests where there is no likely feasibility, [TRANSMISSION OWNER] will designate an employee or office from which basic information concerning system capacities and usage can be obtained through informal requests. [TRANSMISSION OWNER] will further post on its web-site a list of prior system studies, interconnection studies, and other relevant materials useful to an understanding of the feasibility of an interconnection at particular points in its system. Interconnection Customers may request access to or copies of studies or analyses that may be useful to assess in advance the feasibility of an interconnection at particular points of [TRANSMISSION OWNER's] system to the extent necessary to supplement information available from the designated employee or office. [TRANSMISSION OWNER] shall comply with reasonable requests for access to or copies of such studies. Interconnection Customer shall comply with reasonable restrictions on its use of such studies, including preserving their confidentiality and

limiting their use to the purpose for which they were requested.

#### **Section 1.02 - Site Control**

Documentation of site control must be submitted for small resource additions with the completed Feasibility Study Request. Site control may be demonstrated through an exclusive option to purchase the property on which the generation project is to be developed, a property deed, or a range of tax or corporate documents that identify property ownership. Site control must either be in the name of the party submitting the generation interconnection request or documentation must be provided establishing a sufficient business relationship between the project developer and the party having site control.

#### **Section 1.03 - Scoping Meeting**

Once it has been established that the requirements related to the submission of the Feasibility Study Request have been met, an initial Scoping Meeting will be held within ten days of the receipt of the completed Feasibility Study Request. [TRANSMISSION OWNER] will be represented at such Scoping Meeting by system engineers of sufficient rank and experience to provide a judgment within three working days after the scoping meeting of whether a Feasibility Study is required or not. This judgement will be based on the size of the proposed resource in MW, the intended mode of operation of the proposed small resource (in parallel with the system or not), and the load and short-circuit conditions on the line to which interconnection is proposed. If it is obvious that the project is feasible as proposed, no feasibility study will be conducted. In that event, the small resource generation interconnection request will be entered into the then current generation interconnection queue for connection priority only. The analysis process will not be subject to any queue required of Interconnection Customer applicants larger than 20 MW.

#### **Section 1.04 - Feasibility Study**

Where required, Feasibility Study analyses for small resources can generally be expedited by examining a limited contingency set that focuses on the impact of the small capacity addition on contingency limits in the vicinity of the capacity resource. Generally, small capacity additions will have very limited and isolated impacts on system facilities. If criteria violations are observed, further AC testing is required. Short circuit calculations are performed for small resource additions to ensure that circuit breaker capabilities are not exceeded. Barring unusual circumstances, a Feasibility Study must be completed within fifteen working days of the Scoping Meeting.

#### **Section 1.05 - Feasibility Study Cost and Report**

It is presumed that a Feasibility Study can be completed utilizing prior existing interconnection and system studies, design documents, and standard utility operating assumptions, listed on the web-site per Section 1.01 above, and at no cost to the Interconnection Customer. In the event that a Feasibility Study requires analysis or system study that is not available, [TRANSMISSION OWNER] must so indicate, must perform the study, and must pay

half of the costs of such study, with Interconnection Customer paying the other half of such costs. In the event an existing study or analysis critical to a Feasibility Study was nonetheless omitted from the list on the web-site of [TRANSMISSION OWNER], the Interconnection Customer shall not be required to pay any portion of the Feasibility Study. Once the Feasibility Study is completed, a Feasibility Study report will be prepared and transmitted to the Interconnection Customer along with an Impact Study Agreement within five additional working days. If no Criteria Violations are identified by the Feasibility Study no Impact Study will be required. Any study costs that Interconnection Customers are expected to pay will be invoiced to the Interconnection Customer after the study is completed and delivered, and will include itemization of professional time (at specified reasonable hourly rates) and materials required. Disputes over study costs will be submitted to binding arbitration. Interconnection Customers must pay Study Costs within 30 days of receipt of the invoice or resolution of any dispute.

**Section 1.06 - Impact Study**

If Criteria Violations are identified in the Feasibility Study, an Impact Study will be required. In order to remain in the interconnection queue, the Interconnection Customer must return an executed Impact Study Agreement within 30 days, along with documents demonstrating that an initial air permit application has been filed, if required. The requirement for a deposit associated with the Impact Study Agreement is waived; however, the Interconnection Customer is responsible for all costs associated with the performance of the Impact Study related to the request. Any Impact Study required should be completed within fifteen working days of the receipt of the Impact Study Agreement. In cases where no network impacts are identified and there are no other projects in the vicinity of the small resource addition, the Impact Study shall not be required and the project will proceed directly to the Facilities Study.

**Section 1.07 - Criteria for Impact Study**

As with the Feasibility Study, expedited analysis procedures will be utilized, where appropriate, in the course of the Impact Study. Load deliverability will only be evaluated for sub-areas where margins are known to be limited. In most cases, the addition of small capacity resources will improve local deliverability margins. However, if sub-area margins are known to be limited, the impact of the new resource will be evaluated based on its impact on the contingencies limiting emergency imports to the sub-area. In most cases, small capacity additions will have no impact on generator deliverability in an area. As a general rule, if the proposed small resource interconnection, considered cumulatively with all prior small resource interconnections, will not lead to exported power in excess of 15% of the peak day load on a radial feeder line or in excess of 25% of the minimum expected load on a network line, net of minimum on-site load supplied by the small resource, and if the small resource will not exceed 25% of the maximum short circuit potential at the point of interconnection, then there is a presumption of no impact. In that instance,

[TRANSMISSION OWNER] must bear the burden and cost of demonstrating any impact requiring mitigation by additional network facilities. If violations are observed, more detailed testing using AC tools is required to determine levels of impact at the cost of the Interconnection Customer. Stability analysis is generally not performed for small capacity additions. New capacity resources over 2 MW up to and including 20 MW will only be evaluated if they are connected at a location where stability margins associated with existing resources are small. Short circuit calculations are performed during the

Impact Study for small resource additions, taking into consideration all

elements of the regional plan, to ensure that circuit breaker capabilities are not exceeded.

#### **Section 1.08 - Facilities Study Agreement**

Once the Impact Study is completed, or if the Impact Study is not necessary, an Impact Study report or notice of the fact that no report is unnecessary will be prepared and transmitted to the Interconnection Customer along with a Facilities Study Agreement within five working days. In order to remain in the interconnection queue, the Interconnection Customer must return the executed Facilities Study Agreement within 30 days. If no transmission system facilities are required, the Facilities Study will not be required and the project will proceed directly to the execution of an Small Resource Interconnection Agreement. If a Facilities Study is required, the cost will be borne by the Interconnection Customer.

#### **Section 1.09 - Facilities Study Preparation**

Transmission facilities design for any required Attachment Facilities and/or Network Upgrades will be performed through the execution of a Facilities Study Agreement between the Interconnection Customer and [TRANSMISSION OWNER]. The [TRANSMISSION OWNER] may contract with consultants, including the transmission owners, or contractors acting on their behalf, to perform the bulk of the activities required under the Facilities Study Agreement. In some cases, the Interconnection Customer and the [TRANSMISSION OWNER] may reach agreement allowing the Interconnection Customer to separately arrange for the design of some of the required transmission facilities. In such cases, facilities design will be reviewed, under the Facilities Study Agreement, by the transmission owner. Facilities design for small capacity additions will be expedited to the extent possible. In most cases, few or no network upgrades will be required for small capacity additions. Attachment facilities for some small capacity additions may, in part, be elements of a "turn key" installation. In such instances, the design of "turn key" attachments will be reviewed by the transmission owners or their contractors. In cases where system or network upgrades are required for small resource additions, the Facilities Study must be completed within ninety days of the receipt of the Facilities Study Agreement. In cases where no system or network upgrades are necessary, the Facilities Study must be completed in fifteen working days.

#### **Section 1.10 - Costs of Facilities**

Where additional facilities are required to permit the interconnection of a small resource, and offer no benefit to the system capacity, the small resource interconnection applicant will bear the entire cost of such facilities.

**Section 1.11 - Small Resource Interconnection Agreement**

A Small Resource Interconnection Agreement must be executed and filed with the FERC prior to undertaking the actual interconnection. The Small Resource Interconnection Agreement identifies the Interconnection Customer's obligations to pay for transmission facilities required to facilitate the interconnection and the Capacity Interconnection Rights which are awarded to the capacity resource. If a new capacity resource over 2 MW up to and including 20 MW can be quickly connected to the system, and put in service immediately, a modified Small Resource Interconnection Agreement will be executed. If such a connection is expedited through the Impact Study phase ahead of larger projects already in the interconnection queue, an Small Resource Interconnection Agreement will be executed granting interim Capacity Interconnection Rights. These interim rights will allow the connection to be implemented and the resource to participate in the capacity market until studies have been completed for earlier queued resources and all related obligations have been defined. At such time, the interim rights awarded the smaller capacity addition will become dependent on the construction of any required transmission facilities and the satisfaction of any financial obligations for those facilities. If, once those obligations are defined, the smaller capacity addition desires to retain the interim Capacity Interconnection Rights, a new Small Resource Interconnection Agreement will be executed.

**Small Resource Interconnection Agreement**  
**Between**  
**[TRANSMISSION OWNER]**  
**and**  

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**[Small Generator]**

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**Interconnection Service Agreement**

**Between**

**[Transmission Owner]**

**And**

\_\_\_\_\_  
**[Interconnection Customer]**

- 1.0 This Small Resource Interconnection Agreement (“SRIA”), dated as of [DATE], including the Specifications attached hereto and incorporated herein, is entered into by and between. \_\_\_\_\_ L.C. (“Transmission Owner”) and [\_\_\_\_\_] (“Interconnection Customer”), who proposes to interconnect a generating unit over 2 MW up to and including 20 Megawatts to Transmission Owner’s system.
- 2.0 Attached are Specifications for each generating unit that Interconnection Customer proposes to interconnect to Transmission Owner’s Transmission System. Interconnection Customer represents and warrants that, upon completion of the construction of its facilities, it will own or control the generating facilities identified in section 1.0 of the Specifications attached hereto and made a part hereof. In the event that Interconnection Customer will not own the generating facilities, Interconnection Customer represents and warrants that it is authorized by the owners of such generating facilities to enter into this SRIA and to represent such control.
- 3.0 Interconnection Customer has requested an Small Resource Interconnection Agreement under the Transmission Owner’s Open Access Transmission Tariff (“Tariff”), and Transmission Owner has determined that Interconnection Customer is eligible under the Tariff to obtain this SRIA.
- 4.0 In accord with Section \_\_\_\_\_ of the Tariff, Interconnection Customer, on or before the effective date of this SRIA, shall provide Transmission Owner with a letter of credit from an agreed provider or other form of security reasonably acceptable to Transmission Owner in the amount of \$[ \_\_\_\_\_ ] naming Transmission Owner [and Regional Transmission Organization, if applicable] (“the RTO”) as beneficiaries. Should Interconnection Customer fail to provide security in the amount or form required in the first sentence of this section within thirty days of the date of this agreement, this SRIA shall be terminated. Interconnection Customer acknowledges that it will be responsible for the actual costs of the facilities described in the Specifications, whether greater or lesser than the amount of the payment security provided under this section.

- 5.0 This SRIA shall be effective on [DATE], and shall terminate on such date as mutually agreed upon by the parties, unless earlier terminated in accordance with the Tariff.
- 6.0 In addition to the milestones stated in Section \_\_\_\_\_ of the Tariff, during the term of this SRIA, Interconnection Customer shall ensure that its generation project meets each of the following development milestones:
- a.
  - b.
  - c.
  - d.

Interconnection Customer shall demonstrate the occurrence of each of the foregoing milestones to Transmission Owner's reasonable satisfaction. Transmission Owner may reasonably extend any such milestone dates, in the event of delays that Interconnection Customer (I) did not cause and (ii) could not have remedied through the exercise of due diligence.

- 7.0 Transmission Owner agrees to provide for the interconnection to the Transmission System in the Transmission Owner Control Area of Interconnection Customer's generation facilities identified in the Specifications in accordance with Part \_\_ of the Tariff, and this SRIA, as they may be amended from time to time. Subject to Transmission Owner obtaining regulatory approval of appropriate provisions of the Tariff, interconnection of Interconnection Customer's generation facilities to the Transmission System under this SRIA may be subject to subsequent execution by the Interconnection Customer of an agreement or agreements with affected RTO(s) or Transmission Owner to establish terms governing matters, such as (but not limited to) construction of facilities, maintenance standards, parallel operation of generating facilities, insurance requirements, indemnification and liabilities, that, in accordance with state laws and good utility practice [as such term is defined in the [Operating Agreement or Tariff]], are ordinarily included in agreements between parties that are physically interconnecting their electric facilities.
- 8.0 Interconnection Customer agrees to abide by all rules and procedures pertaining to generation in the Transmission Owner Control Area, including but not limited to the rules and procedures concerning the dispatch of generation set forth in the Operating

## Agreement and the Tariff.

- 9.0 In analyzing and preparing the Facilities Study, and in designing and constructing the Attachment Facilities, Local Upgrades and/or Transmission Upgrades described in the Specifications attached to this SRIA, Transmission Owner, the RTO(s), and any other subcontractors employed by Transmission Owner have had to, and shall have to, rely on information provided by Interconnection Customer and possibly by third parties and may not have control over the accuracy of such information. Accordingly, neither Transmission Owner, the RTO(s), nor any other subcontractors employed by Transmission Owner makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy, content, or conclusions of the Facilities Study or of the attachment facilities, the local upgrades and/or the transmission upgrades; provided, however, that Transmission Owner warrants that the transmission facilities described in the Specifications will be designed, constructed and operated in accordance with good utility practice. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.
- 10.0 a. Interconnection Customer shall be responsible for and shall pay upon demand all actual and reasonable costs associated with the interconnection of the generation facilities as specified in the Tariff. These costs may include, but are not limited to, an Attachment Facilities Charge, a Local Upgrades Charge, a Network Upgrades Charge and an Other Supporting Facilities Charge, as documented to be necessary and appropriate by a Facilities Study conducted in accordance with the Tariff. A description of the facilities required and an estimate of the cost of these facilities are included in Section 3.0 the Specifications to this SRIA.
- b. The RTO shall provide Transmission Owner a monthly statement of the RTO's prior month's expenditures for the design, engineering and construction of, and/or for other charges related to, the facilities contemplated by this SRIA. Transmission Owner shall bill Interconnection Customer, on behalf of the RTO, for the RTO's expenditures each month. Interconnection Customer shall pay each bill within 15 days after receipt thereof. Upon receipt of each of Interconnection Customer's payments of such bills, Transmission Owner shall reimburse the RTO.
- c. Within 45 days after the RTO completes construction and installation of the transmission facilities described in the Specifications, Transmission Owner shall provide

- Interconnection Customer with an accounting of, and the appropriate party shall make any payment to the other that is necessary to resolve, any difference between (1) Interconnection Customer's responsibility under this SRIA and the Tariff for the actual cost of such facilities, and (2) Interconnection Customer's previous aggregate payments to Transmission Owner and the RTO for such facilities. Notwithstanding the foregoing, however, Transmission Owner shall not be obligated to make any payment that the preceding sentence requires it to make unless and until the RTO has returned to it the portion of Interconnection Customer's previous payments that Transmission Owner owes under that sentence.
- 11.0 No third party beneficiary rights are created under this SRIA; provided, however, that payment obligations imposed on Interconnection Customer hereunder are agreed and acknowledged to be for the benefit of the RTO actually performing the services associated with the interconnection of the generating facilities and any associated upgrades of other facilities. Interconnection Customer expressly agrees that the company(ies) responsible for such upgrades shall be entitled to take such legal recourse as that entity deems appropriate against Interconnection Customer for the payment of any charges for the upgrades authorized under this SRIA or the Tariff for which Interconnection Customer fails, in whole or in part, to pay as provided in this SRIA, the Tariff and/or the Operating Agreement.
- 12.0 No waiver by either party of one or more defaults by the other in performance of any of the provisions of this SRIA shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.
- 13.0 This SRIA or any part thereof, may not be amended, modified, assigned, or waived other than by a writing signed by all parties hereto.
- 14.0 This SRIA shall be binding upon the parties hereto, their heirs, executors, administrators, successors, and assigns.
- 1.15 This SRIA shall not be construed as an application for service under any part of the Tariff.
- 16.0 In the event of a dispute arising between the parties under this SRIA, the dispute shall be submitted for informal resolution assistance to the RTO or ISO, if applicable, and other wise to the Federal Energy Regulatory Commission under the Alternative Dispute Resolution procedures conducted by the staff. If the dispute cannot be settled by such informal means, it shall be submitted for binding arbitration under the rules of the American Arbitration Association.

- 17.0 Any notice or request made to or by either party regarding this SRIA shall be made to the representative of the other party as indicated below.

**Transmission Owner**

TRANSMISSION OWNER.

[CONTACT NAME/ADDRESS]

**Interconnection Customer**

SMALL GENERATOR

[CONTACT NAME/ADDRESS]

- 18.0 All portions of the Tariff and the Operating Agreement pertinent to the subject of this SRIA are incorporated herein and made a part hereof.
- 19.0 This SRIA is entered into pursuant to Part \_\_\_ of the Tariff.
- 20.0 Neither party shall be liable for consequential, incidental, special, punitive, exemplary or indirect damages, lost profits or other business interruption damages, by statute, in tort or contract, under any indemnity provision or otherwise with respect to any claim, controversy or dispute arising under this SRIA.

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IN WITNESS WHEREOF, Transmission Owner and Interconnection Customer have caused this SRIA to be executed by their respective authorized officials.

**Transmission Owner**

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

**Interconnection Customer**

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

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**SPECIFICATIONS FOR  
INTERCONNECTION SERVICE AGREEMENT**

Between

TRANSMISSION OWNER

And

---

1.0 Description of generating units to be interconnected with the Transmission System in the TRANSMISSION OWNER Control Area:

- a. Name of generating units
  
  
  
  
  
  
  
  
  
  
- b. Location of generating unit site
  
  
  
  
  
  
  
  
  
  
- c. Size in megawatts of generating units
  
  
  
  
  
  
  
  
  
  
- d. Description of the equipment configuration

2.0 Capacity Interconnection Rights:

Pursuant to Section \_\_\_ of \_\_\_ of the Operating Agreement, Interconnection Customer shall have Capacity Interconnection Rights at the location specified in Section 1.0a above in the amount of \_\_\_ megawatts.

3.0 Facilities to be constructed by the RTO:

4.0 Interconnection Customer shall be subject to the charges detailed below:

4.1 Attachment Facilities Charge:

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4.2 Local Upgrades Charge:

4.3 Network Upgrades Charge:

4.4 Guaranty amount required:

4.5 Guaranty Reduction Schedule: