



Control Number: 35077



Item Number: 1234

Addendum StartPage: 0



**LCRA TRANSMISSION SERVICES CORPORATION**



February 10, 2021

Filing Clerk  
Public Utility Commission of Texas  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, TX 78711-3326

RE: Project No. 35077 – LCRA Transmission Services Corporation's Transmission contract Filing Pursuant to Subst. Rule 25.195(e)

To whom it may concern:

Enclosed is a copy of the Amended and Restated ERCOT Standard Generation Interconnection Agreement (the "Agreement") between LCRA Transmission Services Corporation ("LCRA TSC") and KCE TX 12, LLC for filing at the Public Utility Commission of Texas pursuant to Substantive Rule 25.195(e). Because the filed agreement contains slight deviations from the Commission-approved standard generation interconnection agreement ("SGIA"), LCRA TSC has prepared this letter explaining the changes and requests that it be filed with the aforementioned interconnection agreement.

- The following exhibits have been added to the list of exhibits in the Table of Contents:

*Exhibit "C1" - Point of Interconnection Details*

*Exhibit "C2" - One Line Diagram – TSP Interconnection Facilities, Generation Interconnection Facilities and the Plant*

*Exhibit "C3"*

- The sixth paragraph of the recital has been revised as follows:

*Transmission Service Provider represents that it is a public utility that owns and operates facilities for the transmission of electricity. Generator represents that it will own and operate the Plant. Pursuant to the terms and conditions of this Agreement, Transmission Service Provider shall interconnect Generator's Plant with Transmission Service Provider's System consistent with the results of the Facilities Study developed on or about October 2020 pursuant to the Full Interconnection Study Agreement executed between the Parties and pursuant to the ERCOT generation interconnection request 20INR0291.*

- The seventh paragraph of the recital has been revised as follows:

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*This Agreement applies only to the Plant and the Parties' interconnection facilities as identified in Exhibit "C."*

- The eighth paragraph of the recital has been revised as follows:

*This Agreement shall become effective on the date first written above, subject to Governmental Authority approval, if required, and shall continue in full force and effect until terminated in accordance with Exhibit "A."*

- Item E. of the ninth paragraph of the recital has been revised as follows:

*E. The Interconnection Details attached hereto as Exhibits "C", "C1-C3";*

- The following definition in Section 1.2 of Article 1. Definitions of the Agreement has been revised as follows:

*1.2 "Commercial Operation" shall mean the stage of completion where (i) the construction of the Plant has been substantially completed, (ii) Trial Operation of the Plant has been completed, (iii) the Plant is ready for dispatch, (iv) ERCOT has approved the Generator's Resource Commissioning Date, and (v) Generator notifies TSP that requirements (i) through (iv) have been achieved.*

- The following definition in Section 1.5 of Article 1. Definitions of the Agreement has been revised as follows:

*1.5 "ERCOT Requirements" means the ERCOT Nodal Operating Guides, ERCOT Generation Interconnection Procedures, ERCOT Nodal Protocols as well as any other documents adopted by the ISO or ERCOT, including NERC Reliability Standards, relating to the interconnection and operation of generators and transmission systems in ERCOT as amended from time to time, and any successors thereto. Any requirement in the foregoing documents imposed upon generation entities or generation facilities shall become the responsibility of the Generator, and any requirements imposed on transmission providers or transmission facilities shall become the responsibility of the TSP.*

- The following definition in Section 1.7 of Article 1. Definitions of the Agreement has been revised as follows:

*1.7 "Full Interconnection Study Agreement" shall mean an agreement executed by the Parties relating to the performance of the Full Interconnection Study, a set of studies conducted by the TSP that includes the Facilities Study.*

- The following definition in Section 1.12 of Article 1. Definitions of the Agreement has been added as follows:

*1.12 “Initial Synchronization” shall mean the first time the Generator’s Plant injects power to the ERCOT System during Trial Operation.*

- The following definition in Section 1.14 of Article 1. Definitions of the Agreement has been added as follows:

*1.14 “NERC” shall mean the North American Electric Reliability Corporation.*

- The following definition in Section 1.15 of Article 1. Definitions of the Agreement has been added as follows:

*1.15 “NERC Reliability Standards” shall mean the standards subject to NERC enforcement.*

- The following definition in Section 1.21 of Article 1. Definitions of the Agreement has been revised as follows:

*1.21 “Security Screening Study” shall have the meaning as described in PUCT Rule 25.198(c) or its successor.*

- Section 2.1(A) of Article 2. Termination has been revised as follows:

*The Generator may terminate this Agreement after giving the TSP thirty (30) days advance written notice, which shall include the anticipated effective date for termination of the Agreement. If the Generator has achieved Commercial Operation and the Generator intends to decommission its facilities, the Generator shall provide written notice to TSP when a Notice of Suspension of Operations to ERCOT has been submitted; or*

- Section 4.2(A) of Article 4. Interconnection Facilities Engineering, Procurement, and Construction has been revised as follows:

*The TSP has completed the Facilities Study pursuant to the Full Interconnection Study Agreement:*

- Section 4.5 of Article 4. Interconnection Facilities Engineering, Procurement, and Construction has been revised as follows:

*Conditions Precedent Delay. To the extent this Agreement incorporates a specified In-Service Date and the Generator fails to satisfy conditions precedent under Sections 4.2 and 4.3 so that the TSP may meet the In-Service Date, the Parties will negotiate in good faith to establish a new schedule for completion of the TIF, including a new In-Service Date.*

- Section 5.2 of Article 5. Facilities and Equipment has been revised as follows:

*GIF Construction. Generator agrees to cause the GIF to be designed and constructed in accordance with Good Utility Practice, ERCOT Requirements and the National Electrical Safety Code in effect at the time of construction. Upon written request by the TSP after Commercial Operation, the Generators shall deliver to the TSP the following “as-built” drawings, information and documents for the GIF: a one-line diagram, a site plan showing the Plant and the GIF, plan and elevation drawings showing the layout of the GIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with the Generator’s main-power transformers, the facilities connecting the Plant to the main power transformers and the GIF, and the impedances (determined by factory tests) for the associated main power transformers and the generators and the impedance of any transmission voltage lines that are part of the GIF.*

- The last sentence of Paragraph A. of Section 5.5 of Article 5. Facilities and Equipment has been revised as follows:

*The specific ERCOT-polled settlement (“EPS”) Metering Facilities, telemetry and communications equipment to be installed and data to be telemetered are described in Exhibit “C.”*

- Paragraph B. of Section 5.5 of Article 5. Facilities and Equipment has been revised as follows:

*At the Point of Interconnection, the EPS Metering Facilities shall be owned by the TSP. However, the TSP shall provide the Generator or its Qualified Scheduling Entity with access to metering values in accordance with ERCOT Requirements*

- The first sentence of Paragraph C. of Section 5.5 of Article 5. Facilities and Equipment has been revised as follows:

*The TSP will notify the Generator at least five (5) working days in advance of any planned maintenance, inspection, testing, or calibration of the EPS Metering Facilities, unless otherwise agreed to in writing. The Generator, or its designated representative, shall have the right to be present for these activities and to receive copies of any documents related to the procedures and results.*

- The first sentence of Paragraph D. of Section 5.5 of Article 5. Facilities and Equipment has been revised as follows:

*Prior to the connection of a GIF to the TIF, acceptance tests will be performed by the owning Party to ensure the proper functioning of the EPS Metering Facilities, telemetry and communications equipment associated with the Point of Interconnection and both Parties’ interconnection facilities, and to verify the accuracy of data being received by*

*the TSP, ERCOT and the Generator. All acceptance tests will be performed consistent with ERCOT Requirements.*

- The first sentence of Paragraph F. of Section 5.5 of Article 5. Facilities and Equipment has been revised as follows:

*Each Party will promptly advise the other Party if it detects or otherwise learns of any EPS Metering Facilities, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Parties.*

- The first sentence of Paragraph F. of Section 5.6 of Article 5. Facilities and Equipment has been revised as follows:

*Prior to the In-Service Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Equipment.*

- The third sentence of Section 6.1 of Article 6. Operation and Maintenance has been revised as follows:

*Such outages shall be scheduled at mutually agreeable times, unless conditions exist which i) a Party believes, in accordance with Good Utility Practice, may endanger persons or property, ii) an outage is needed to maintain and ensure secure and reliable operation of the TSP system, or iii) with three months' notice provided by the TSP, an outage is required to complete improvements to the TSP system, provided such outage is subject to ISO approval.*

- The last sentence of Section 6.1 of Article 6. Operation and Maintenance has been revised as follows:

*All testing of the Plant that affects the operation of the Point of Interconnection shall be coordinated between the TSP, ERCOT, and the Generator and will be conducted in accordance with ERCOT Requirements.*

- Section 6.2 of Article 6. Operation and Maintenance has been deleted in its entirety and replaced with the following:

*6.2 Control Area. The Control Area within ERCOT is a single Control Area with ERCOT assuming authority as the Control Area operator in accordance with ERCOT Requirements.*

- The first sentence of Section 6.3 of Article 6. Operation and Maintenance has been revised as follows:

*Unless otherwise agreed to by the Parties, the terms and conditions addressing the rights of the TSP and the Generator regarding any facilities located on the other Party's*

*property shall be addressed in a separate, duly executed and recorded easement agreement between the Parties.*

- The reference to "ISO" in Section 7.3 of Article 7. Data Requirements has been replaced with "ERCOT".
- The last sentence of Section 8.1 of Article 8. Performance Obligation has been revised as follows:

*In addition, the Generator may be required to make a contribution in aid of construction in the amount set out in Exhibit "E" for the facilities described in Exhibit "C", if any, in accordance with PUCT Rules.*

- The third sentence of Section 8.3 of Article 8. Performance Obligation has been revised as follows:

*Within ten (10) business days after TSP has received notice from the Generator that the Plant has achieved Commercial Operation and TSP has verified the same with ERCOT, the TSP shall return the deposit(s) or security to the Generator.*

- The first sentence of Section 9.1 of Article 9. Insurance has been revised as follows:

*Each Party shall, at its own expense, maintain in force throughout the period of this Agreement and until released by the other Party the following minimum insurance coverages, with insurers authorized to do business in Texas and have a minimum A.M. Best rating of A-XII:*

- Paragraph B. of Section 9.1 of Article 9. Insurance has been revised as follows:

*B. 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 with minimum limits of One Million Dollars (\$1,000,000) per occurrence/Two Million Dollars (\$2,000,000) aggregate. The Commercial General Liability policy shall be written on an Insurance Services Office Inc. form CG0001 or a substitute form providing equivalent liability coverage and shall not include any endorsements or modifications which limit the scope of coverage for liability assumed under contract, separation of insureds, punitive damages or liability arising from pollution (or such pollution coverage shall be provided under a separate Pollution Liability policy), explosion, collapse, underground property damage, or damage to the work.*

- Paragraph C. of Section 9.1 of Article 9. Insurance has been revised as follows:

*C. Commercial Automobile Liability Insurance for coverage of owned or non-owned and hired vehicles with a minimum combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.*

- Paragraph D. of Section 9.1 of Article 9. Insurance has been revised as follows:

*D. Umbrella and/or Excess Liability Insurance over and above, and follows form of, the Employer's Liability, Commercial General Liability and Commercial Automobile Liability Insurance coverage, with a minimum limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.*

- Paragraph E. of Section 9.1 of Article 9. Insurance has been revised as follows:

*E. Professional Liability (Errors and Omissions) Insurance: If a Party is performing professional services, including, but not limited to engineering services it will carry Professional Liability Insurance with coverage of no less than \$2,000,000 per occurrence and in the aggregate. In addition, a Party will cause any of its contractors or subcontractors engaged in professional services to maintain the coverage required in this subsection.*

- Paragraph F. of Section 9.1 of Article 9. Insurance has been revised as follows:

*The Commercial General Liability Insurance, Commercial Automobile Liability Insurance, and Umbrella and/or Excess Liability Insurance policies shall name the other Party, its parent, associated and affiliated 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 Agreement against the Other Party Group. Each Party shall provide no fewer than thirty (30) days advance written notice to Other Party Group prior to cancellation or any material change in coverage or condition except in the event of cancellation due to non-payment in which case ten (10) days advance written notice shall be given.*

- Paragraph G. of Section 9.1 of Article 9. Insurance has been revised as follows:

*The Commercial General Liability Insurance, Commercial Automobile Liability Insurance and Umbrella and/or 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.*

- Paragraph H. of Section 9.1 of Article 9. Insurance has been revised as follows:



*The Commercial General Liability Insurance, Commercial Automobile Liability Insurance, Professional Liability Insurance, and Umbrella and/or Excess Liability Insurance policies, if written on a claims made basis, shall be maintained in full force and effect for three (3) years after termination of this Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties. The provisions of this subsection 9.1.H will survive termination of this Agreement.*

- Paragraph J. of Section 9.1 of Article 9. Insurance has been revised as follows:

*Upon request, each Party shall provide certification of all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer.*

- Paragraph K. of Section 9.1 of Article 9. Insurance has been revised as follows:

*Notwithstanding the foregoing, each Party may self-insure for all or a portion of the above coverages and insurance requirements to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at least "BBB-" by Standard & Poor's, "Baa3" by Moody's Investor Service, or "BBB-" by Fitch Ratings (and in the case of the Generator subject to TSP review and acceptance of Generator's credit ratings and financial statements). The TSP will not be required to comply with Sections 9.1.F through 9.1.H to the extent it self-insures for the above coverages and insurance requirements.*

- Paragraph M. of Section 9.1 of Article 9. Insurance has been added:

*Each Party's contractors and subcontractors, if any, shall also provide and maintain during the term of their respective agreements similar insurance coverages specified herein with limits that are adequate in respects to the scope of work the contractors and subcontractors are performing on behalf of the Party.*

- The third sentence of Section 10.3 of Article 10. Miscellaneous has been revised as follows:

*Notwithstanding the other provisions of this Section, the Full Interconnection Study Agreement, if any, is unaffected by this Agreement.*

- The fourth sentence of paragraph A. of Section 10.6 of Article 10. Miscellaneous has been revised as follows:

*Except as provided in Section 10.6.B, the defaulting Party shall have thirty (30) days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within thirty (30) days, the defaulting Party shall commence such cure within thirty (30) days after Default notice and continuously and diligently complete such cure within ninety (90) days from receipt of the Default notice; and, if cured within such time, the Default specified in such Default notice shall cease to exist.*

- Section 10.14 of Article 10. Miscellaneous has been revised as follows:

*Further Assurances. The Parties agree to (i) furnish upon request to each other such further information, (ii) execute and deliver to each other such other documents, and (iii) do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement and the documents referred to in this Agreement. The TSP shall, at the Generator's expense, when reasonably requested to do so by the Generator at any time after the execution of this Agreement, prepare and provide information in connection with this Agreement as may be reasonably required by any potential lender to the Generator under a proposed loan agreement. The TSP will use commercially reasonable efforts to obtain any such information reasonably requested by Generator, but the TSP shall not be in Default of any obligation under this Agreement if the TSP is unable to provide information that will satisfy any potential lender to the Generator. Specifically, upon the written request of one Party, the other Party shall provide the requesting Party with a letter stating whether or not, up to the date of the letter, that Party is satisfied with the performance of the requesting Party under this Agreement.*

- The third paragraph of Exhibit "B" Time Schedule has been revised as follows:

*Date by which Generator must provide written notice to proceed with engineering, procurement and construction and provide security, as specified in Sections 4.2 and 4.3, of Exhibit "A" so that TSP may maintain schedule to meet the In-Service Date(s):*

- The fourth paragraph of Exhibit "B" Time Schedule has been revised as follows:

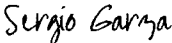
*Date by which Generator must deliver to TSP surveys including the boundary survey plat(s) and legal descriptions; topographic surveys with one foot contours; and subsurface utility engineering ("SUE") surveys, per TSP provided surveying specifications and TSP engineering review, of the tracts specified in Exhibit "C", so that TSP maintain schedule to meet the In-Service Date:*

- The fifth paragraph of Exhibit "B" Time Schedule has been revised as follows:

*Date by which Generator must convey to TSP real property rights as described in Section 12 of Exhibit "C" and as specified in Section 4.3 of Exhibit "A", so that TSP may maintain schedule to meet the In-Service Date:*

Please feel free to contact me at [Sergio.Garza@lcra.org](mailto:Sergio.Garza@lcra.org) if there are any questions regarding this interconnection agreement.

Sincerely,

DocuSigned by:  
  
B6B56FA83932404

Sergio Garza, P.E.

Vice President, LCRA Transmission Design and Protection

Enclosure

AMENDED AND RESTATED  
ERCOT STANDARD GENERATION  
INTERCONNECTION AGREEMENT

Between

LCRA Transmission Services Corporation

And

KCE TX 12, LLC  
(SILICON HILL STORAGE)

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## **AMENDED AND RESTATED ERCOT STANDARD GENERATION INTERCONNECTION AGREEMENT**

This Amended and Restated ERCOT Standard Generation Interconnection Agreement is made and entered into this 30<sup>th</sup> day of October, 2020, between LCRA Transmission Services Corporation (“Transmission Service Provider”) and KCE TX 12, LLC (“Generator”), hereinafter individually referred to as “Party,” and collectively referred to as “Parties.”

**WHEREAS**, the Transmission Service Provider and the Generator entered into that certain ERCOT Standard Generation Interconnection Agreement executed March 27, 2020 (the “Original Agreement”);

**WHEREAS**, Generator notified TSP of a change in the design of the Plant which will require TSP to install additional facilities to meter the Generator’s Wholesale Storage Load; and

**WHEREAS**, the Generator has not conveyed to TSP, certain real property rights described in Exhibits “C” and “C3” of the Agreement in order for TSP to construct the TIF.

**NOW, THEREFORE**, in consideration of the mutual promises and undertakings herein set forth, the Parties agree to amend and restate the Original Agreement as follows:

Transmission Service Provider represents that it is a public utility that owns and operates facilities for the transmission of electricity. Generator represents that it will own and operate the Plant. Pursuant to the terms and conditions of this Agreement, Transmission Service Provider shall interconnect Generator’s Plant with Transmission Service Provider’s System consistent with the results of the Facilities Study developed on or about October 2020 pursuant to the Full Interconnection Study Agreement executed between the Parties and pursuant to the ERCOT generation interconnection request 20INR0291.

This Agreement applies only to the Plant and the Parties’ interconnection facilities as identified in Exhibit “C.”

This Agreement shall become effective on the date first written above, subject to Governmental Authority approval, if required, and shall continue in full force and effect until terminated in accordance with Exhibit “A.”

This Agreement will be subject to the following, all of which are incorporated herein:

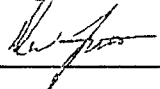
- A. The “Terms and Conditions of the ERCOT Standard Generation Interconnection Agreement” attached hereto as Exhibit “A”;
- B. The ERCOT Requirements (unless expressly stated herein, where the ERCOT Requirements are in conflict with this Agreement, the ERCOT Requirements shall prevail);
- C. The PUCT Rules (where the PUCT Rules are in conflict with this Agreement, the PUCT Rules shall prevail);

- D. The Time Schedule attached hereto as Exhibit "B";
- E. The Interconnection Details attached hereto as Exhibit "C", "C1-C3";
- F. The notice requirements attached hereto as Exhibit "D", and
- G. The Security Arrangement Details attached hereto as Exhibit "E".

IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

KCE TX 12, LLC

By: Daniel Fitzgerald

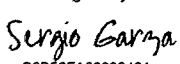
Signature: 

Title: Authorized Representative

Date: 10/30/2020

LCRA Transmission Services Corporation

By: Sergio Garza, P.E.

Signature:  DocuSigned by: Sergio Garza  
00056FA03952404

Title: Vice President, LCRA Transmission Design and Protection

Date: 10/30/2020



## **Exhibit “A”**

### **Terms and Conditions of the ERCOT Standard Generation Interconnection Agreement**

#### **ARTICLE 1. DEFINITIONS**

Capitalized terms shall have the meanings as set forth below, except as otherwise specified in the Agreement:

- 1.1 “CCN” shall mean a Certificate of Convenience and Necessity issued by the PUCT.
- 1.2 “Commercial Operation” shall mean the stage of completion where (i) the construction of the Plant has been substantially completed, (ii) Trial Operation of the Plant has been completed, (iii) the Plant is ready for dispatch, (iv) ERCOT has approved the Generator’s Resource Commissioning Date, and (v) Generator notifies TSP that requirements (i) through (iv) have been achieved.
- 1.3 “Control Area” shall have the meaning ascribed thereto in PUCT Rule 25.5(19) or its successor.
- 1.4 “ERCOT” shall mean the Electric Reliability Council of Texas, Inc.
- 1.5 “ERCOT Requirements” means the ERCOT Nodal Operating Guides, ERCOT Generation Interconnection Procedures, ERCOT Nodal Protocols as well as any other documents adopted by the ISO or ERCOT, including NERC Reliability Standards, relating to the interconnection and operation of generators and transmission systems in ERCOT as amended from time to time, and any successors thereto. Any requirement in the foregoing documents imposed upon generation entities or generation facilities shall become the responsibility of the Generator, and any requirements imposed on transmission providers or transmission facilities shall become the responsibility of the TSP.



- 1.6 “Facilities Study” shall have the meaning as described in PUCT Rule 25.198(d) or its successor.
- 1.7 “Full Interconnection Study Agreement” shall mean an agreement executed by the Parties relating to the performance of the Full Interconnection Study, a set of studies conducted by the TSP that includes the Facilities Study.
- 1.8 “GIF” shall mean Generator’s interconnection facilities as described in Exhibit “C.”
- 1.9 “Good Utility Practice” shall have the meaning described in PUCT Rule 25.5(56) or its successor.
- 1.10 “Governmental Authority(ies)” shall mean any federal, state, local or municipal body having jurisdiction over a Party.
- 1.11 “In-Service Date” shall be the date, as reflected in Exhibit “B,” that the TIF will be ready to connect to the GIF.
- 1.12 “Initial Synchronization” shall mean the first time the Generator’s Plant injects power to the ERCOT System during Trial Operation.
- 1.13 “ISO” shall mean the ERCOT Independent System Operator.
- 1.14 “NERC” shall mean the North American Electric Reliability Corporation.
- 1.15 “NERC Reliability Standards” shall mean the standards subject to NERC enforcement.
- 1.16 “Plant” shall mean the electric generation facility owned and operated by the Generator, as specified in Exhibit “C.”
- 1.17 “Point of Interconnection” shall mean the location(s) where the GIF connects to the TIF as negotiated and defined by the Parties and as shown on Exhibit “C” of this Agreement.
- 1.18 “PUCT” shall mean the Public Utility Commission of Texas.
- 1.19 “PUCT Rules” shall mean the Substantive Rules of the PUCT.

- 1.20 “Reasonable Efforts” shall mean the use of Good Utility Practice and the exercise of due diligence (pursuant to PUCT Rule 25.198(e)).
- 1.21 “Security Screening Study” shall have the meaning as described in PUCT Rule 25.198(c) or its successor.
- 1.22 “System Protection Equipment” shall mean those facilities located within the TIF and the GIF as described in Section 5.6 and Exhibit “C.”
- 1.23 “TCOS” shall mean the TSP’s transmission cost of service as allowed by the applicable Governmental Authority.
- 1.24 “TIF” shall mean the TSP’s interconnection facilities as described in Exhibit “C” to this Agreement.
- 1.25 “Trial Operation” shall mean the process by which the Generator is engaged in on-site test operations and commissioning of the Plant prior to Commercial Operation.
- 1.26 “TSP” shall mean the Transmission Service Provider.
- 1.27 “TSP System” shall mean the electric transmission facilities, including the TIF, and all associated equipment and facilities owned and/or operated by the TSP.

## **ARTICLE 2. TERMINATION**

- 2.1 Termination Procedures. This Agreement may be terminated as follows:
  - A. the Generator may terminate this Agreement after giving the TSP thirty (30) days advance written notice, which shall include the anticipated effective date for termination of the Agreement. If the Generator has achieved Commercial Operation and the Generator intends to decommission its facilities, the Generator shall provide written notice to TSP when a Notice of Suspension of Operations to ERCOT has been submitted; or

B. the TSP may terminate this Agreement (subject to Governmental Authority approval, if required) on written notice to the Generator if the Generator's Plant has not achieved Commercial Operation within one year after the scheduled Commercial Operation date reflected in Exhibit "B"; or

C. either Party may terminate this Agreement in accordance with Section 10.6.

2.2 Termination Costs. If a Party elects to terminate the Agreement pursuant to Section 2.1 above, the Generator shall pay all costs incurred (or committed to be incurred) by TSP, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Generator under this Agreement. In the event of termination by either Party, both Parties shall use commercially reasonable efforts to mitigate the damages and charges that they may incur as a consequence of termination. The provisions of the Sections 2.2 and 2.3 shall survive termination of the Agreement.

2.3 Disconnection. Upon termination of this Agreement, the Parties will disconnect the GIF from the TIF.

### **ARTICLE 3. REGULATORY FILINGS**

3.1 Filing. The TSP shall file this executed Agreement with the appropriate Governmental Authority, if required. Any portions of this Agreement asserted by Generator to contain competitively sensitive commercial or financial information shall be filed by the TSP identified as "confidential" under seal stating, for the TSP's showing of good cause, that Generator asserts such information is confidential information and has requested such filing under seal. If requested by the TSP, Generator shall provide the TSP, in writing, with the Generator's basis for asserting that the information referred to in this Section 3.1

is competitively sensitive information, and the TSP may disclose such writing to the appropriate Governmental Authority.

- 3.2 Regulatory Approvals. Unless exempt, the TSP shall timely request ISO and all regulatory approvals necessary for it to carry out its responsibilities under this Agreement. Such approvals shall include any CCN required for the construction of the TIF.

**ARTICLE 4. INTERCONNECTION FACILITIES ENGINEERING,  
PROCUREMENT, AND CONSTRUCTION**

- 4.1 Options. The Generator shall select one of the following options (subsection A or subsection B) and include the selected option in Exhibit "B" for completion of the TIF:

A. Option 1: The TSP shall design, procure, and construct the TIF, using Reasonable Efforts to complete the TIF by the In-Service Date reflected in Exhibit "B." The TSP will utilize its own resources and will contract for additional resources, as reasonably necessary, to meet the In-Service Date. Such resources shall include, as the TSP believes is reasonable, use of other contractors, other equipment suppliers, other material suppliers, additional contract personnel, additional payments to contractors for expedited work, and premiums paid to equipment and material suppliers for expedited delivery. The TSP shall not be required to undertake any initiative which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, applicable laws and regulations, and ERCOT Requirements. In the event the TSP reasonably expects that it will not be able to complete the TIF by the In-Service Date, the TSP will promptly provide written notice to the Generator and will undertake Reasonable Efforts to meet the earliest date thereafter.

B. Option 2:

- i. The TSP shall design, procure, and construct the TIF by the In-Service Date reflected in Exhibit "B." The Parties acknowledge that the In-Service Date was either agreed upon through good faith negotiations or designated by the Generator upon failure of the Parties to agree. In the process of negotiating the In-Service Date, Generator will request a date upon which it reasonably expects it will be ready to begin use of the TIF and upon which it reasonably expects to begin doing so. Any date designated by the Generator shall in no event be less than fifteen months from the date that all conditions of Sections 4.2 and 4.3 have been satisfied. The designated In-Service Date will be extended day for day for each day that the ISO refuses to grant clearances to install equipment. If the TSP fails to complete the TIF by the In-Service Date reflected in Exhibit "B," the TSP shall pay the Generator liquidated damages in accordance with this Section 4.1.B.
- ii. The Parties agree that actual damages to the Generator, in the event the TIF are not completed by the In-Service Date, may include Generator's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. The Parties agree that, because of such uncertainty, any liquidated damages paid by the TSP to the Generator shall be an amount equal to  $\frac{1}{2}$  of 1% of the actual cost of the TIF, per day. However, in no event shall the total liquidated damages exceed 20% of the actual cost of the TIF. The Parties agree that such liquidated damages are less than the Generator's actual damages. The Parties agree that the foregoing payments will be made by the TSP to the Generator as just compensation for the damages caused to the Generator, which

actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this Agreement.

- iii. The TSP shall apply to have the full costs of the TIF included in TCOS. If the PUCT issues a final, appealable order excluding from TCOS any portion of the TIF costs, including higher contractor and vendor costs due to liquidated damage provisions in those contracts and insurance costs to cover liquidated damages, which costs may have been reasonably incurred but which the PUCT finds should not be recovered through TCOS, the Generator shall reimburse the TSP for such costs in an amount not to exceed the difference between the TSP's estimate of the cost of the TIF under section 4.1.A and the TSP's estimate of the cost of the TIF under Section 4.1.B as reflected in Exhibit "C." Such costs shall be estimated using Good Utility Practice.
- iv. No liquidated damages shall be paid to Generator if the Generator is not ready to commence use of the TIF for the delivery of power to the Plant for Trial Operation or export of power from the Plant on the In-Service Date, unless the Generator would have been able to commence use of the TIF for the delivery of power to the Plant for Trial Operation or export of power from the Plant but for TSP's delay.
- v. If the In-Service Date has been designated by the Generator upon a failure of the Parties to agree on the In-Service Date, the TSP may, at its option, require the Generator to subcontract with the TSP for all or part of the design, procurement and construction of the TIF in accordance with the TSP's standard subcontractor agreements. In such event, the TSP shall be subject to the payment of liquidated damages to the Generator only if the In-Service Date is not met solely due to the

TSP's failure to complete the portion of the TIF for which the TSP has retained responsibility. It is the intent of this subsection to give the TSP full control of the contents and quality of the TIF. To the extent the Generator acts as a subcontractor to the TSP, the following will apply: 1) The Generator shall engineer, procure equipment, and construct the TIF (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by the TSP; 2) In its engineering, procurement and construction of the TIF, the Generator shall comply with all requirements of law to which the TSP would be subject in the engineering, procurement or construction of the TIF; 3) The TSP shall review and approve the engineering design, acceptance tests of equipment, and the construction of the TIF; 4) The TSP shall have the right to approve and accept for operation the TIF in accordance with the standards and specifications provided in advance by the TSP, such approval and acceptance shall not be unreasonably withheld, conditioned, or delayed; 5) Should any phase of the engineering, equipment procurement, or construction of the TIF, including selection of subcontractors, not meet the standards and specifications provided by the TSP, and therefore be deemed unacceptable, then the Generator shall be obligated to remedy that portion of the TIF or selection of subcontractors that is deemed unacceptable, the TSP's approval of the Generator's selection of subcontractors will not be unreasonably withheld, conditioned or delayed; and 6) Once the TIF is accepted for operation by the TSP, then the TSP shall reimburse the Generator for the reasonable and necessary costs incurred by the Generator to complete the TIF, not to exceed the amount specified in the subcontract.

Such reimbursement shall be made within thirty days after receipt of the invoice, unless otherwise agreed to by the Parties.

4.2 Equipment Procurement. If responsibility for construction of the TIF is borne by the TSP, then the TSP shall commence design of the TIF and procure necessary equipment within a reasonable time after all of the following conditions are satisfied:

- A. The TSP has completed the Facilities Study pursuant to the Full Interconnection Study Agreement;
- B. The TSP has received written authorization to proceed with design and procurement from the Generator by the date specified in Exhibit “B”; and
- C. The Generator has provided security to the TSP in accordance with Section 8.3 by the dates specified in Exhibit “B.”

4.3 Construction Commencement. The TSP shall commence construction of the TIF as soon as practicable after the following additional conditions are satisfied:

- A. Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;
- B. Necessary real property rights, if any, have been obtained;
- C. The TSP has received written authorization to proceed with construction from the Generator by the date specified in Exhibit “B”; and
- D. The Generator has provided security to the TSP in accordance with Section 8.3 by the dates specified in Exhibit “B.”

4.4 Work Progress. The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. If, at any time, the Generator becomes aware that the completion of the TIF will not be required until after the specified



In-Service Date, the Generator will promptly provide written notice to the TSP of a new, later In-Service Date.

- 4.5 Conditions Precedent Delay. To the extent this Agreement incorporates a specified In-Service Date and the Generator fails to satisfy conditions precedent under Sections 4.2 and 4.3 so that the TSP may meet the In-Service Date, the Parties will negotiate in good faith to establish a new schedule for completion of the TIF, including a new In-Service Date.

## **ARTICLE 5. FACILITIES AND EQUIPMENT**

- 5.1 Information Exchange. The Parties shall exchange information and mutually agree upon the design and compatibility of the Parties' interconnection facilities. The Parties shall work diligently and in good faith to make any necessary design changes to ensure compatibility of the GIF to the TSP System.
- 5.2 GIF Construction. Generator agrees to cause the GIF to be designed and constructed in accordance with Good Utility Practice, ERCOT Requirements and the National Electrical Safety Code in effect at the time of construction. Upon written request by the TSP after Commercial Operation, the Generator shall deliver to the TSP the following "as-built" drawings, information and documents for the GIF: a one-line diagram, a site plan showing the Plant and the GIF, plan and elevation drawings showing the layout of the GIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with the Generator's main-power transformers, the facilities connecting the Plant to the main power transformers and the GIF, and the impedances (determined by factory tests) for the associated main power transformers and the generators and the impedance of any transmission voltage lines that are part of the GIF.

- 5.3 TIF Construction. The TSP agrees to cause the TIF to be designed and constructed in accordance with Good Utility Practice, ERCOT Requirements and the National Electrical Safety Code in effect at the time of construction.
- 5.4 Equipment Changes. For facilities not described in Exhibit “C,” if either Party makes equipment changes to the Plant, the GIF, the TIF or the TSP System which it knows will affect the operation or performance of the other Party’s interconnection facilities, the Parties agree to notify the other Party, in writing, of such changes. Such changes shall be made in accordance with ERCOT Requirements and coordinated between the Parties.
- 5.5 Metering, Telemetry and Communications Requirements.
- A. Metering and telemetry of data will be accomplished in accordance with ERCOT Requirements. The specific ERCOT-polled settlement (“EPS”) Metering Facilities, telemetry and communications equipment to be installed and data to be telemetered are described in Exhibit “C.”
  - B. At the Point of Interconnection, the EPS Metering Facilities shall be owned by the TSP. However, the TSP shall provide the Generator or its Qualified Scheduling Entity with access to metering values in accordance with ERCOT Requirements.
  - C. The TSP will notify the Generator at least five (5) working days in advance of any planned maintenance, inspection, testing, or calibration of the EPS Metering Facilities, unless otherwise agreed to in writing. The Generator, or its designated representative, shall have the right to be present for these activities and to receive copies of any documents related to the procedures and results.
  - D. Prior to the connection of the GIF to the TIF, acceptance tests will be performed by the owning Party to ensure the proper functioning of the EPS Metering Facilities, telemetry

and communications equipment associated with the Point of Interconnection and both Parties' interconnection facilities, and to verify the accuracy of data being received by the TSP, ERCOT and the Generator. All acceptance tests will be performed consistent with ERCOT Requirements.

- E. The TSP shall, in accordance with Good Utility Practice and ERCOT Requirements, specify communications facilities, including those necessary to transmit data from the metering equipment to the TSP, that are necessary for the effective operation of the Plant and the GIF with the TSP System. Such communication facilities shall be included in Exhibit "C." The Generator shall make arrangements to procure and bear the cost of such facilities.
- F. Each Party will promptly advise the other Party if it detects or otherwise learns of any EPS Metering Facilities, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible in accordance with ERCOT Requirements.

#### 5.6 System Protection and Other Controls Requirements.

- A. Each Party's facilities shall be designed to isolate any fault, or to correct or isolate any abnormality, that would negatively affect the other Party's system or other entities connected to the TSP System.
- B. The Generator shall be responsible for protection of its facilities consistent with ERCOT Requirements.
- C. Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Section 5.6.F. The required test switches will be placed

such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and tripping the Generator's units.

- D. Recording equipment shall be installed to analyze all system disturbances in accordance with ERCOT Requirements.
- E. Each Party will test, operate and maintain System Protection Equipment in accordance with ERCOT Requirements. Each Party will provide reasonable notice to the other Party of any testing of its System Protection Equipment allowing such other Party the opportunity to have representatives present during testing of its System Protection Equipment.
- F. Prior to the In-Service Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Equipment. At intervals suggested by Good Utility Practice or at intervals described in the ERCOT Requirements if so defined therein, and following any apparent malfunction of the System Protection Equipment, each Party shall perform both calibration and functional trip tests of its System Protection Equipment. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

5.7 No Annexation. Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

## **ARTICLE 6. OPERATION AND MAINTENANCE**

- 6.1 Operation and Maintenance of Interconnection Facilities. The Parties agree to operate and maintain their systems in accordance with Good Utility Practice, National Electrical Safety Code, the ERCOT Requirements, PUCT Rules and all applicable laws and regulations. Subject to any necessary ISO approval, each Party shall provide necessary equipment outages to allow the other Party to perform periodic maintenance, repair or replacement of its facilities. Such outages shall be scheduled at mutually agreeable times, unless conditions exist which i) a Party believes, in accordance with Good Utility Practice, may endanger persons or property, ii) an outage is needed to maintain and ensure secure and reliable operation of the TSP system, or iii) with three months' notice provided by the TSP, an outage is required to complete improvements to the TSP system, provided such outage is subject to ISO approval. No changes will be made in the normal operation of the Point of Interconnection without the mutual agreement of the Parties except as otherwise provided herein. All testing of the Plant that affects the operation of the Point of Interconnection shall be coordinated between the TSP, ERCOT, and the Generator and will be conducted in accordance with ERCOT Requirements.
- 6.2 Control Area. The Control Area within ERCOT is a single Control Area with ERCOT assuming authority as the Control Area operator in accordance with ERCOT Requirements.
- 6.3 Land Rights and Easements. Unless otherwise agreed to by the Parties, the terms and conditions addressing the rights of the TSP and the Generator regarding any facilities located on the other Party's property shall be addressed in a separate, duly executed and recorded easement agreement between the Parties. Prior to Commercial Operation, the Parties will mutually agree upon procedures to govern access to each other's property as

necessary for the Parties to fulfill their obligations hereunder.

- 6.4 Service Interruption. The Parties recognize that the interruption of service provisions of the PUCT Rules give TSP the right to disconnect the TSP System from the Plant under the conditions specified therein. The Generator will promptly disconnect the Plant from the TSP System when required by and in accordance with the PUCT Rules and ERCOT Requirements.
- 6.5 Switching and Clearance.
- A. Any switching or clearances needed on the TIF or the GIF will be done in accordance with ERCOT Requirements.
  - B. Any switching and clearance procedure necessary to comply with Good Utility Practice or ERCOT Requirements that may have specific application to the Plant shall be addressed in Exhibit "C."
- 6.6 Start-Up and Synchronization. Consistent with ERCOT Requirements and the Parties' mutually acceptable procedure, the Generator is responsible for the proper synchronization of the Plant to the TSP System.
- 6.7 Routine Operational Communications. On a timely basis, the Parties shall exchange all information necessary to comply with ERCOT Requirements.
- 6.8 Blackstart Operations. If the Plant is capable of blackstart operations, Generator will coordinate individual Plant start-up procedures consistent with ERCOT Requirements. Any blackstart operations shall be conducted in accordance with the blackstart criteria included in the ERCOT Requirements and the TSP Blackstart Plan on file with the ISO. Notwithstanding this section, the Generator is not required to have blackstart capability by virtue of this Agreement. If the Generator will have blackstart capability, then Generator

shall provide and maintain an emergency communication system that will interface with the TSP during a blackstart condition.

- 6.9 Power System Stabilizers. The Generator shall procure, install, maintain and operate power system stabilizers if required to meet ERCOT Requirements and as described in Exhibit “C.”

## **ARTICLE 7. DATA REQUIREMENTS**

- 7.1 Data Acquisition. The acquisition of data to realistically simulate the electrical behavior of system components is a fundamental requirement for the development of a reliable interconnected transmission system. Therefore, the TSP and the Generator shall be required to submit specific information regarding the electrical characteristics of their respective facilities to each other as described below in accordance with ERCOT Requirements.
- 7.2 Initial Data Submission by TSP. The initial data submission by the TSP shall occur no later than 120 days prior to Trial Operation and shall include transmission system data necessary to allow the Generator to select equipment and meet any system protection and stability requirements.
- 7.3 Initial Data Submission by Generator. The initial data submission by the Generator, including manufacturer data, shall occur no later than 90 days prior to the Trial Operation and shall include a completed copy of the following forms contained in ERCOT’s Generation Interconnection Procedure: (1) Plant Description/Data and (2) Generation Stability Data. It shall also include any additional data provided to ERCOT for the Security Screening Study. Data in the initial submissions shall be the most current Plant design or expected performance data. Data submitted for stability models shall be compatible with

ERCOT's standard models. If there is no compatible model, the Generator will work with an ISO designated consultant to develop and supply a standard model and associated data.

- 7.4 Data Supplementation. Prior to Commercial Operation, the Parties shall supplement their initial data submissions with any and all "as-built" Plant data or "as-tested" performance data which differs from the initial submissions or, alternatively, written confirmation that no such differences exist. Subsequent to Commercial Operation, the Generator shall provide the TSP any data changes due to equipment replacement, repair, or adjustment. The TSP shall provide the Generator any data changes due to equipment replacement, repair, or adjustment in the directly connected substation or any adjacent TSP-owned substation that may affect the GIF equipment ratings, protection or operating requirements. The Parties shall provide such data no later than 30 days after the date of the actual change in equipment characteristics. Also, the Parties shall provide to each other a copy of any additional data later required by the ISO concerning these facilities.

- 7.5 Data Exchange. Each Party shall furnish to the other Party real-time and forecasted data as required by ERCOT Requirements. The Parties will cooperate with one another in the analysis of disturbances to either the Plant or the TSP's System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records.

## **ARTICLE 8. PERFORMANCE OBLIGATION**

- 8.1 Generator's Cost Responsibility. The Generator will acquire, construct, operate, test, maintain and own the Plant and the GIF at its sole expense. In addition, the Generator may be required to make a contribution in aid of construction in the amount set out in Exhibit "E" for the facilities described in Exhibit "C," if any, in accordance with PUCT Rules.



- 8.2 TSP's Cost Responsibility. The TSP will acquire, own, operate, test, and maintain the TIF at its sole expense, subject to the provisions of Section 4.1.B and the contribution in aid of construction provisions of Section 8.1 of this Agreement.
- 8.3 Financial Security Arrangements. The TSP may require the Generator to pay a reasonable deposit or provide another means of security, to cover the costs of planning, licensing, procuring equipment and materials, and constructing the TIF. The required security arrangements shall be specified in Exhibit "E." Within ten (10) business days after TSP has received notice from the Generator that the Plant has achieved Commercial Operation and TSP has verified the same with ERCOT, the TSP shall return the deposit(s) or security to the Generator. However, the TSP may retain an amount to cover the incremental difference between the TSP's actual out of pocket costs associated with the choice of Section 4.1.B over Section 4.1.A, pending a final PUCT Order as contemplated in Section 4.1.B(iii). If the Plant has not achieved Commercial Operation within one year after the scheduled Commercial Operation date identified in Exhibit "B" or if the Generator terminates this Agreement in accordance with Section 2.1 and the TIF are not required, the TSP may, subject to the provisions of Section 2.2, retain as much of the deposit or security as is required to cover the costs it incurred in planning, licensing, procuring equipment and materials, and constructing the TIF. If a cash deposit is made pursuant to Exhibit "E," any repayment of such cash deposit shall include interest at a rate applicable to customer deposits as established from time to time by the PUCT or other Governmental Authority.

## **ARTICLE 9. INSURANCE**

- 9.1 Insurance Requirements. Each Party shall, at its own expense, maintain in force throughout the period of this Agreement and until released by the other Party the following minimum

insurance coverages, with insurers authorized to do business in Texas and have a minimum A.M. Best rating of A-XII:

- A. Employers Liability and Worker's Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the State of Texas. The minimum limits for the Employer's Liability insurance shall be One Million Dollars (\$1,000,000) each accident bodily injury by accident, One Million Dollars (\$1,000,000) each employee bodily injury by disease, and One Million Dollars (\$1,000,000) policy limit bodily injury by disease.
- B. 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, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/Two Million Dollars (\$2,000,000) aggregate. The Commercial General Liability policy shall be written on an Insurance Services Office Inc. form CG0001 or a substitute form providing equivalent liability coverage and shall not include any endorsements or modifications which limit the scope of coverage for liability assumed under contract, separation of insureds, punitive damages or liability arising from pollution (or such pollution coverage shall be provided under a separate Pollution Liability policy), explosion, collapse, underground property damage, or damage to the work.
- C. Commercial Automobile Liability Insurance for coverage of owned or non-owned and hired vehicles with a minimum combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.

- D. Umbrella and/or Excess Liability Insurance over and above, and follows form of, the Employer's Liability, Commercial General Liability and Commercial Automobile Liability Insurance coverage, with a minimum limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.
- E. Professional Liability (Errors and Omissions) Insurance: If a Party is performing professional services, including but not limited to engineering services, it will carry Professional Liability Insurance with coverage of no less than \$2,000,000 per occurrence and in the aggregate. In addition, a Party will cause any of its contractors or subcontractors engaged in professional services to maintain the coverage required in this subsection.
- F. The Commercial General Liability Insurance, Commercial Automobile Liability Insurance, and Umbrella and/or Excess Liability Insurance policies shall name the other Party, its parent, associated and affiliated 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 Agreement against the Other Party Group. Each Party shall provide no fewer than thirty (30) days advance written notice to Other Party Group prior to cancellation or any material change in coverage or condition except in the event of cancellation due to non-payment in which case ten (10) days advance written notice shall be given.
- G. The Commercial General Liability Insurance, Commercial Automobile Liability Insurance, and Umbrella and/or 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.

- H. The Commercial General Liability Insurance, Commercial Automobile Liability Insurance, Professional Liability Insurance, and Umbrella and/or Excess Liability Insurance policies, if written on a claims made basis, shall be maintained in full force and effect for three (3) years after termination of this Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties. The provisions of this subsection 9.1.H will survive termination of this Agreement.
- I. 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 Agreement.
- J. Upon request, each Party shall provide certification of all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer.
- K. Notwithstanding the foregoing, each Party may self-insure for all or a portion of the above coverages and insurance requirements to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at least "BBB-" by Standard & Poor's, "Baa3" by Moody's Investor Service, or "BBB-" by Fitch Ratings (and in the case of the Generator subject to TSP review and acceptance of Generator's credit ratings and financial statements). The TSP will not be required to comply with

Sections 9.1.F through 9.1.H to the extent it self-insures for the above coverages and insurance requirements.

L. 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 Agreement.

M. Each Party's contractors and subcontractors, if any, shall also provide and maintain during the term of their respective agreements similar insurance coverages specified herein with limits that are adequate in respects to the scope of work the contractors and subcontractors are performing on behalf of the Party.

#### **ARTICLE 10. MISCELLANEOUS**

##### **10.1 Governing Law and Applicable Tariffs.**

A. This Agreement for all purposes shall be construed in accordance with and governed by the laws of the State of Texas, excluding conflicts of law principles that would refer to the laws of another jurisdiction. The Parties submit to the jurisdiction of the federal and state courts in the State of Texas.

B. This Agreement is subject to all valid, applicable rules, regulations and orders of, and tariffs approved by, duly constituted Governmental Authorities.

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

##### **10.2 No Other Services.** This Agreement is applicable only to the interconnection of the Plant to the TSP System at the Point of Interconnection and does not obligate either Party to provide, or entitle either Party to receive, any service not expressly provided for herein. Each Party is responsible for making the arrangements necessary for it to receive any other

service that it may desire from the other Party or any third party. This Agreement does not address the sale or purchase of any electric energy, transmission service or ancillary services by either Party, either before or after Commercial Operation.

10.3 Entire Agreement. This Agreement, including all Exhibits, Attachments and Schedules attached hereto, 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. Notwithstanding the other provisions of this Section, the Full Interconnection Study Agreement, if any, is unaffected by this Agreement.

10.4 Notices. Except as otherwise provided in Exhibit "D," any formal notice, demand or request provided for in this Agreement shall be in writing and shall be deemed properly served, given or made if delivered in person, or sent by either registered or certified mail, postage prepaid, overnight mail or fax to the address or number identified on Exhibit "D" attached to this Agreement. Either Party may change the notice information on Exhibit "D" by giving five business days written notice prior to the effective date of the change.

10.5 Force Majeure.

A. The term "Force Majeure" as used herein shall mean any cause beyond the reasonable control of the Party claiming Force Majeure, and without the fault or negligence of such Party, which materially prevents or impairs the performance of such Party's obligations hereunder, including but not limited to, storm, flood, lightning, earthquake,

fire, explosion, failure or imminent threat of failure of facilities, civil disturbance, strike or other labor disturbance, sabotage, war, national emergency, or restraint by any Governmental Authority.

- B. Neither Party shall be considered to be in Default (as hereinafter defined) with respect to any obligation hereunder (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Section shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

#### 10.6 Default

- A. The term "Default" shall mean the failure of either Party to perform any obligation in the time or manner provided in this Agreement. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this 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 Section 10.6.B, the defaulting Party shall have thirty (30) days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within thirty (30) days, the defaulting Party shall commence such cure within thirty (30) days after Default notice and continuously and diligently complete such cure within ninety (90) days from receipt of the Default notice; and, if cured within such time, the Default specified in such Default notice shall cease to exist.

- B. If a Default is not cured as provided in this Section, 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 Section will survive termination of this Agreement.

- 10.7 Intrastate Operation. The operation of the Plant by Generator shall not cause there to be a synchronous or an asynchronous interconnection between ERCOT and any other transmission facilities operated outside of ERCOT unless ordered by the Federal Energy Regulatory Commission under Section 210 of the Federal Power Act. The Parties recognize and agree that any such interconnection will constitute an adverse condition giving the TSP the right to immediately disconnect the TIF from the GIF, until such interconnection has been disconnected. The Generator will not be prohibited by this Section from interconnecting the Plant with facilities operated by the Comision Federal de Electricidad of Mexico, unless such interconnection would cause ERCOT utilities that are not “public



utilities” under the Federal Power Act to become subject to the plenary jurisdiction of the Federal Energy Regulatory Commission.

- 10.8 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.
- 10.9 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 a waiver of obligations, rights, or duties imposed upon the Parties. Termination or Default of this Agreement for any reason by the Generator shall not constitute a waiver of the Generator’s legal rights to obtain an interconnection from the TSP under a new interconnection agreement.
- 10.10 Headings. The descriptive headings of the various articles and sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 10.11 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.
- 10.12 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.
- 10.13 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 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.

10.14 Further Assurances. The Parties agree to (i) furnish upon request to each other such further information, (ii) execute and deliver to each other such other documents, and (iii) do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement and the documents referred to in this Agreement. The TSP shall, at the Generator's expense, when reasonably requested to do so by the Generator at any time after the execution of this Agreement, prepare and provide information in connection with this Agreement as may be reasonably required by any potential lender to the Generator under a proposed loan agreement. The TSP will use commercially reasonable efforts to obtain any such information reasonably requested by Generator, but the TSP shall not be in Default of any obligation under this Agreement if the TSP is unable to provide information that will satisfy any potential lender to the Generator. Specifically, upon the written request of one Party, the other Party shall provide the requesting Party with a letter stating whether or not, up to the date of the letter, that Party is satisfied with the performance of the requesting Party under this Agreement.

10.15 Indemnification and Liability. The indemnification and liability provisions of the PUCT Rule 25.202(b)(2) or its successor shall govern this Agreement.

10.16 Consequential Damages. OTHER THAN THE LIQUIDATED DAMAGES HERETOFORE DESCRIBED, IN NO EVENT SHALL EITHER PARTY 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.

- 10.17 Assignment. This Agreement may be assigned by either Party only with the written consent of the other; provided that 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; and provided further that the Generator shall have the right to assign this Agreement, without the consent of the TSP, for collateral security purposes to aid in providing financing for the Plant, provided that the Generator will require any secured party, trustee or mortgagee to notify the TSP of any such assignment. Any financing arrangement entered into by the Generator pursuant to this Section will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify the TSP of the date and particulars of any such exercise of assignment right(s). Any attempted assignment that violates this Section is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its

obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

10.18 Severability. If any provision in this Agreement is finally determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this Agreement; provided that if the Generator (or any third-party, but only if such third-party is not acting at the direction of the TSP) seeks and obtains such a final determination with respect to any provision of Section 4.1.B, then none of the provisions of Section 4.1.B. shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by Section 4.1.A.

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

10.20 Invoicing and Payment. Unless the Parties otherwise agree (in a manner permitted by applicable PUCT Rules and as specified in writing in an Exhibit "E" attached hereto), invoicing and payment rights and obligations under this Agreement shall be governed by PUCT Rules or applicable Governmental Authority. Invoices shall be rendered to the paying Party at the address specified on, and payments shall be made in accordance with the requirements of, Exhibit "D."

10.21 Confidentiality.

A. Subject to the exception in Section 10.21.B, any information that a Party claims is competitively sensitive, commercial or financial information under this Agreement ("Confidential Information") shall not be disclosed by the other Party to any person not

employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this Agreement or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to the ISO. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subsection, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subsection, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

- B. This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a breach of this provision).

## **Exhibit "B"**

### **Time Schedule**

Interconnection Option chosen by Generator (check one):   X   Section 4.1.A. or        Section 4.1.B

If Section 4.1.B is chosen by Generator, the In-Service Date(s) was determined by (check one):  
(1)   N/A   good faith negotiations, or (2)   N/A   Designated by Generator upon failure to agree.

Date by which Generator must provide written notice to proceed with engineering, procurement and construction and provide security, as specified in Sections 4.2 and 4.3, of Exhibit "A", so that TSP may maintain schedule to meet the In-Service Date: [REDACTED].

Date by which Generator must deliver to TSP surveys including the boundary survey plat(s) and legal descriptions; topographic surveys with one foot contours; and subsurface utility engineering ("SUE") surveys, per TSP provided surveying specifications and TSP engineering review, of the tracts specified in Exhibit "C", so that TSP maintain schedule to meet the In-Service Date: [REDACTED].

Date by which Generator must convey to TSP real property rights as described in Section 12 of Exhibit "C" and as specified in Section 4.3 of Exhibit "A", so that TSP may maintain schedule to meet the In-Service Date: [REDACTED].

In - Service Date(s): [REDACTED], **subject to necessary ISO approval of outages required to construct the TIF.**

Scheduled Initial Synchronization Date: [REDACTED]

Scheduled Commercial Operation Date: [REDACTED]

Due to the nature of the subject of this Agreement, the Parties may mutually agree to change the dates and times of this Exhibit B.

## **Exhibit “C” Interconnection Details**

1. Name: KCE TX 12, LLC (Silicon Hill Storage)
2. Point of Interconnection location: The Point of Interconnection will be at the LCRA TSC Gilleland Creek Substation (“TSP Substation”) located in Travis County, TX, at the approximate location shown in Exhibit “C3”. The Point of Interconnection, shown on Exhibit “C1” and Exhibit “C2” shall be the physical point where the TSP Substation facilities are connected to the GIF. This point is more specifically defined as being located at the 4-hole pad terminals on the dead-end assembly where the Generator’s 138-kV radial circuit connects to TSP’s free-standing steel interconnection dead-end transmission structure (“POI Structure”).
3. Delivery Voltage: 138-kV
4. Number and size of Generating Units (“The Plant”): The Plant is a Battery Energy Storage System (“BESS”) facility with one Point of Interconnection to the grid. The nominal Plant rating will be approximately 103.5-MW of AC power (with a maximum rating of 100-MW) at the Point of Interconnection.
5. Type of Generating Unit: Fifty (50) Sunny Central SMA SCS 2475-US BESS inverters rated at 2.07-MW each.
6. Metering Equipment:
  - A. TSP’s EPS Metering Facilities will be located at the TSP Substation as part of the TIF. Three 138-kV extended range, metering current transformers will be used to accurately read the generation energy and power delivered to the grid and the auxiliary energy and power consumed through the Point of Interconnection. Three 138-kV metering accuracy voltage transformers will also be installed by the TSP for the EPS Metering Facilities. The EPS metering panel furnished by the TSP will be located in the TSP Substation.
  - B. Generator acknowledges that the Plant will engage in wholesale energy storage in accordance with the PUCT Rules and ERCOT Requirements for a Wholesale Storage Load (“WSL”). As such, TSP will install and own additional primary and backup EPS meters for the WSL in order to separately meter the WSL from any auxiliary or non-WSL energy and power that the Plant and GIF may consume from the 138-kV ERCOT Transmission Grid through the Point of Interconnection. The TSP’s WSL metering will be located in a suitable space allocated by Generator in the control building of the Generator’s 138-kV interconnection substation. The Generator shall install, for TSP’s

use, adequately rated instrument transformers to accurately meter the WSL. Generator shall, no fewer than one hundred twenty (120) days prior to the In-Service Date, provide, for TSP's review and approval, the necessary equipment specifications, factory test reports, vendor cut-sheets and any other engineering drawings for the aforementioned 34.5-kV instrument transformers to be installed by Generator and used by TSP to meter the WSL. The Generator shall provide the cable and suitable conduit paths between the Generator's 34.5-kV WSL instrument transformers and the Generator's control building for TSP's use in metering the WSL.

7. Telemetry Equipment:

- A. A remote terminal unit ("RTU") will be furnished by the TSP at the TSP Substation as part of the TIF and will provide applicable breaker status and other telemetry data to ERCOT as required by the ERCOT Nodal Operating Guides.
- B. An RTU(s) will be furnished by the Generator at the Generator's interconnection substation(s) as part of the GIF and will provide breaker status and other telemetered data to ERCOT as required by the ERCOT Nodal Operating Guides. The Generator is responsible for determining and providing all their RTU communications needs.

8. Generator Interconnection Facilities: The Generator will provide as a minimum, the following major equipment for the GIF:

- A. One 138-kV radial circuit approximately 0.10-mile(s) in length consisting of 795 kcmil ACSR phase conductors with necessary material to dead-end and connect to the POI Structure outside the TSP Substation;
- B. A 138-kV line structure located near the POI Structure (Generator shall coordinate the height and framing of this structure, the arrangement of the phases, and the exact location of the structure with TSP);
- C. Fiber optic cable (Corning SMF-28e or equivalent 72 fiber, single-mode, fiber optic OPGW) from Generator's interconnection substation control building to the TSP's OPGW cable splice box on the POI Structure at the Point of Interconnection;
- D. Generator's interconnection substation(s) including control building(s), 138-kV generation step-up ("GSU") transformer(s), transformer protection package(s), 138-kV circuit breaker(s), 138-kV circuit disconnect switch(es), and protective relaying panels for the Generator's 138-kV circuit that will coordinate with the TSP's line panels at the TSP Substation for the Generator line protection (Generator's GSU and/or autotransformer shall utilize a grounded-wye configuration on the high-side voltage winding in order to provide adequate ground fault protection);
- E. Three (3) 34.5-kV metering current transformers and three (3) 34.5-kV metering accuracy voltage transformers for TSP's use in metering the WSL;



- F. Suitable conduit paths from the Generator's control building to the Generator owned 34.5-kV metering current transformers associated with the WSL and 34.5-kV metering accuracy voltage transformers with review and acceptance of design by TSP;
  - G. RTU(s) and panels to provide breaker status, telemetry and energy data from the Generator's interconnection substation(s) to the Plant, Generator and ERCOT; and
  - H. Associated structures, bus-work, conductor, connectors, grounding, conduit, control cable, foundation work, perimeter fencing, grading/dirt work and any appurtenances necessary for construction and operation of the GIF.
9. Transmission Interconnection Facilities: The TIF shall consist of the following facilities and appurtenances:
- A. One (1) POI Structure for the interconnection to Generator's 138-kV line;
  - B. One (1) new 138-kV transmission line consisting of 795 kcmil ACSR phase conductors with one (1) OPGW and shield wire from the POI Structure to the TSP Substation A-frame structure along with the jumpers and line post insulators between the TSP conductors and the Generator's radial circuit conductors at the POI Structure;
  - C. One (1) existing 138-kV Gilleland Creek Substation which will include the following additional facilities:
    - 1. Two (2) substation A-frame structures (including one substation A-frame for terminating TSP's new 138-kV transmission line to the POI Structure) within TSP Substation;
    - 2. 138-kV bus including bus supports and foundations;
    - 3. Three (3) 84-kV MCOV surge arresters;
    - 4. Two (2) 138-kV, 3000A, 63-kAIC circuit breakers with foundations and protective relay panels;
    - 5. Four (4) 138-kV, 3000A three-pole switches with supporting structures and foundations;
    - 6. RTU(s) and panels to provide breaker status, telemetry and energy data;
    - 7. EPS Metering Facilities which will include the following:
      - (a) One (1) EPS metering panel;

- (b) Two (2) EPS meters (one primary meter and one backup meter);
  - (c) Three (3) 138-kV extended range metering CT's; and
  - (d) Three (3) 138-kV metering class voltage transformers.
8. WSL EPS Metering Facilities which will include the following:
- (a) One (1) WSL EPS metering panel; and
  - (b) Two (2) WSL EPS meters (one primary meter and one backup meter).

The above lists are not intended to be complete lists of all facilities that are part of the TIF. Item 8 above will be located in the Generator's interconnection substation.

10. Telecommunication Facilities: Generator shall, in accordance with ERCOT Requirements and Good Utility Practice, provide communications facilities that are, or may in the future be, necessary for effective interconnected operation of the Plant and GIF with the transmission system. The Generator shall own, and be responsible for installation, operation, and maintenance of fiber optic communication facilities between the Generator's transmission voltage substations and the POI Structure at the Point of Interconnection. Generator will complete its OPGW termination and dress out in a manner acceptable to TSP inside the TSP provided fiber splice box on the POI Structure. TSP will provide the splicing of fibers within the splice box at the Point of Interconnection. The Generator shall provide the dedicated channels or fiber pairs for necessary items including Generator's 138-kV radial circuit protective relaying, TSP's WSL EPS metering, and Remedial Action Scheme communications. Generator shall provide any necessary fiber optic jumpers from Generator's fiber patch panel(s) to the TSP's WSL EPS meters. Voice communications provided by the Generator shall at a minimum include one POTS (plain old telephone service) or equivalent voice circuit in the Generator's substation control buildings.
11. System Protection Equipment:
- A. Generator will provide a line protection panel for Generator's 138-kV radial circuit at the Generator's facilities, which will coordinate with the TSP's line panel(s) at the TSP Substation.
  - B. Generator will be responsible for the proper synchronization of its facilities with the TSP's transmission system, in accordance with ERCOT guidelines.
  - C. The Plant and the GIF shall be designed to isolate any fault, or to disconnect from or isolate any abnormality that would negatively affect the ERCOT System. The Generator shall be responsible for protection of its facilities. In particular, Generator shall provide relays, circuit breakers, and all other devices necessary to promptly remove any fault contribution of the generation equipment to any short circuit occurring on the TSP system. Such protective equipment shall include, without

limitation, a disconnect device or switch with the appropriate interrupting capability to be located within the GIF. In addition to faults within the Plant and the GIF, Generator shall be responsible for protection of such facilities from such conditions as negative sequence currents, over or under frequency, sudden load rejection, over or under voltage, generator loss of field, inadvertent energization (reverse power) and uncleared transmission system faults.

- D. In accordance with Good Utility Practice and ERCOT Requirements and NERC Reliability Standards, the TSP shall determine requirements for protection of the Point of Interconnection and the zone of protection around the Point of Interconnection and shall specify and implement protection and control schemes as necessary to meet such requirements. Generator shall have the right to review and comment on the necessary protection requirements, and such comments shall not be unreasonably refused by the TSP when determining such requirements. The TSP shall coordinate the relay system protection between Generator and the ERCOT System.
- E. The Plant and the GIF shall have protective relaying that is consistent with the protective relaying criteria described in Section 11.D. If requested by the TSP, Generator shall, at its expense, timely provide corrections, upgrades, or additions to existing control and protective equipment required to protect the ERCOT System or to comply with government, industry regulations, or standard changes.
- F. The Generator's protective relay design shall incorporate the necessary test switches to enable complete functional testing. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and tripping generator units.
- G. The disturbance and fault monitoring for both Generator and TSP shall be consistent with the disturbance monitoring requirements described in the ERCOT Requirements and NERC Reliability Standards.
  - 1. Generator shall install sufficient disturbance and fault monitoring equipment to thoroughly analyze all system disturbances of the generation system. This equipment shall monitor the voltages at major nodes of the system, current at major branches, breaker and switch positions, and provide sequence of event reporting and relay event reporting to analyze a system disturbance.
  - 2. The TSP shall provide for disturbance and fault monitoring equipment in its TSP Substation.
- H. Prior to modifying any relay protection system design or relay setting involving the connecting facilities between the two Parties, Generator shall submit the proposed changes to the TSP for review and approval. TSP's review and approval shall be for the limited purpose of determining whether such proposed changes are compatible with the ERCOT Transmission Grid.

- I. The Generator shall provide in Aspen One-Liner format the short circuit model for the GIF, the generators and collector facilities prior to the protective relays settings being calculated and in no case later than 60 days prior to the initial actual in-service date. Generator data submitted in accordance with Section 7.3 of Exhibit "A" shall include, but not be limited to, (1) a detailed one-line diagram of the proposed Plant and GIF showing the collector buses and their voltages, (2) conductor types and lengths of all lines connecting the collector buses to the TSP Substation, (3) the total number of BESS inverters to be served by each collector bus, (4) size, make and model of BESS inverters, (5) capacitor bank sizes, locations (electrical) and control settings, and (6) the impedance and rating data of each radial circuit, GSU and/or autotransformer that will be installed to deliver power from the Plant to the ERCOT Transmission Grid.

12. Real Property Rights and Access Road Provisions:

- A. The TSP Substation, as depicted in Exhibit "C3", is located at 16245 Cameron Rd in the city of Pflugerville, Texas. Generator shall install the aforementioned dead-end 138-kV line structure described in Section 8.B) above at a location coordinated with TSP, adjacent to the POI Structure outside the TSP Substation property.
- B. Generator shall, at no cost to TSP, acquire from the underlying landowner and convey to TSP, a separate stand-alone transmission easement, in a form approved by TSP, including access rights for the portion of the TIF previously described in Section 9.A above and as generally depicted as the "Transmission Easement Area" in Exhibit "C3".
- C. In addition, Generator shall acquire, and convey to TSP, easements that provide good and adequate rights of vehicular ingress and egress to and from TSP's existing substation access easement to the Transmission Easement Area (TSP must approve easement language before completion of landowner negotiation). TSP shall then acquire from the Generator (using TSP's standard form of easement) the access easement as generally depicted in Exhibit "C3" ("Access Easement Area" and collectively, with the Transmission Easement Area, the "Easements").
- D. These necessary real property rights described in Section 12.B and 12.C above are required before TSP can commence construction, as contemplated in Exhibit "A", Section 4.3. Therefore, if TSP is unable to acquire the aforementioned Easements from Generator by the date noted in Exhibit "B", TSP and Generator will work toward finding Easements that meet TSP's approval and will amend this Agreement, including TSP's In-Service Date(s) and security requirements, as necessary.
- E. In no event shall the Easements be subject to any lien or any other encumbrance unacceptable to TSP. Generator shall, at no cost to TSP, release any encumbrance that Generator may have on the acquired Easements.
- F. Generator, at no cost to TSP, agrees to deliver to TSP by the date noted in Exhibit "B", surveys including the boundary survey plat(s) and legal description(s); topographic survey with one foot contours; and SUE survey, per TSP provided surveying

specifications and TSP engineering review, of the tracts necessary in Section 12.B and 12.C above.

- G. TSP's acquisition of the real property rights noted in this Section 12 is subject to (i) TSP's review and acceptance of surveys, title commitment and title insurance policy on the Easements, together with legal documentation, all, to be acquired at Generator's expense on behalf of TSP, (ii) archeological research and an environmental site assessment conducted by TSP, and (iii) any necessary TSP Board approval.
- H. Generator shall permit duly authorized representatives and employees of the TSP to enter upon the Generator's premises, subject to the Generator's physical and cyber security access practices, procedures and requirements, for the purpose of inspecting, testing, repairing, replacing, renewing, exchanging, upgrading, or removing any or all of the equipment owned by TSP that is located on the Generator's premises or for the purpose of performing any work necessary in the performance of this Agreement.
- I. Generator hereby grants to the TSP, permission to install, maintain, and/or operate, or cause to be installed, maintained, and/or operated, on the Generator's premises, the necessary equipment, apparatus, and devices required for the performance of this Agreement, except that Parties shall not connect Transient Cyber Assets or Removable Media into each other's Cyber Assets at the Generator's interconnection substation(s). Any such installation, maintenance, and operation will be performed, except in the case of emergencies, only after a schedule for such activity has been submitted and agreed upon by the Parties.

13. Supplemental Terms and Conditions:

A. Device Numbers, Switching and Clearance:

- 1. Generator shall obtain prior approval of the TSP before operating any transmission voltage circuit switching apparatus (e.g. switches, circuit breakers, etc.) at the GIF, whether for testing or for operations of the Plant, which approval shall not be unreasonably withheld, conditioned or delayed.
- 2. The TSP shall coordinate switching at the Point of Interconnection. Each Party shall be responsible for operation of their facilities.
- 3. In the event the Generator desires to have the ability to operate any directly connected TSP facilities for emergency operations switching, the TSP will provide transmission switching training to Generator personnel along with a copy of the TSP's transmission operations procedure manual ("Red Book") and any subsequent amendments thereto. Generator personnel or their designated agents that are to perform switching of the directly connected TSP facilities must be on the TSP authorized switching list. Generator and the TSP agree to conduct all switching operations of any directly connected TSP facilities in accordance with the Red Book, as it may be changed by the TSP from time to time.

4. Generator will establish: i) unique name(s) for the Generator's substations, unit main transformers and switching station(s) connected at transmission voltage; ii) device numbers for all transmission voltage switches and breakers which will be owned by Generator; and iii) unique names for Generator's generating units, in accordance with ERCOT Requirements. Generator will submit to TSP, within thirty (30) days after execution of this Agreement, its proposed name(s), as referenced in this paragraph. Generator will register the name(s) of the facilities specified in this paragraph and Generator-owned device numbers at ERCOT, in accordance with ERCOT Requirements, and such names and device numbers will be consistent with the names and numbers submitted to TSP. Generator will label the devices, referenced in item (ii) above, with the numbers assigned to such devices.
  5. Each Party will keep records of maintenance and switching operations of control and protective equipment associated with this interconnection and will allow the other Party reasonable access to inspect such records.
- B. Auxiliary Power Delivery to Generator by TSP: Generator acknowledges that the Plant will engage in wholesale storage in accordance with 16 TAC § 25.501(m)(2). TSP considers the auxiliary or non-WSL energy and power that the Plant and GIF may from time to time consume from the 138-kV Point of Interconnection to be a retail transaction and as such, the TSP does not intend to be the provider of this retail service. Generator shall make necessary arrangements with the appropriate retail supplier for the non-WSL energy and power that the Plant and GIF may consume from the 138-kV ERCOT Transmission Grid through the Point of Interconnection.
- C. Notification:
1. Generator shall supply notification to the TSP identifying its Qualified Scheduling Entity (QSE) 120 days prior to the In-Service Date and Generator shall supply notification to the TSP 60 days prior to any changes in QSE, thereafter.
  2. Upon written request from TSP, Generator shall supply notification to the TSP identifying their retail service provider 120 days prior to the In-Service Date and Generator shall supply notification to the TSP 60 days prior to any changes in retail service provider, thereafter.
  3. In the event of any interruption of service, TSP shall provide prompt notice to Generator of cause of such interruption and an estimation of when the Plant may be re-connected to the TSP.

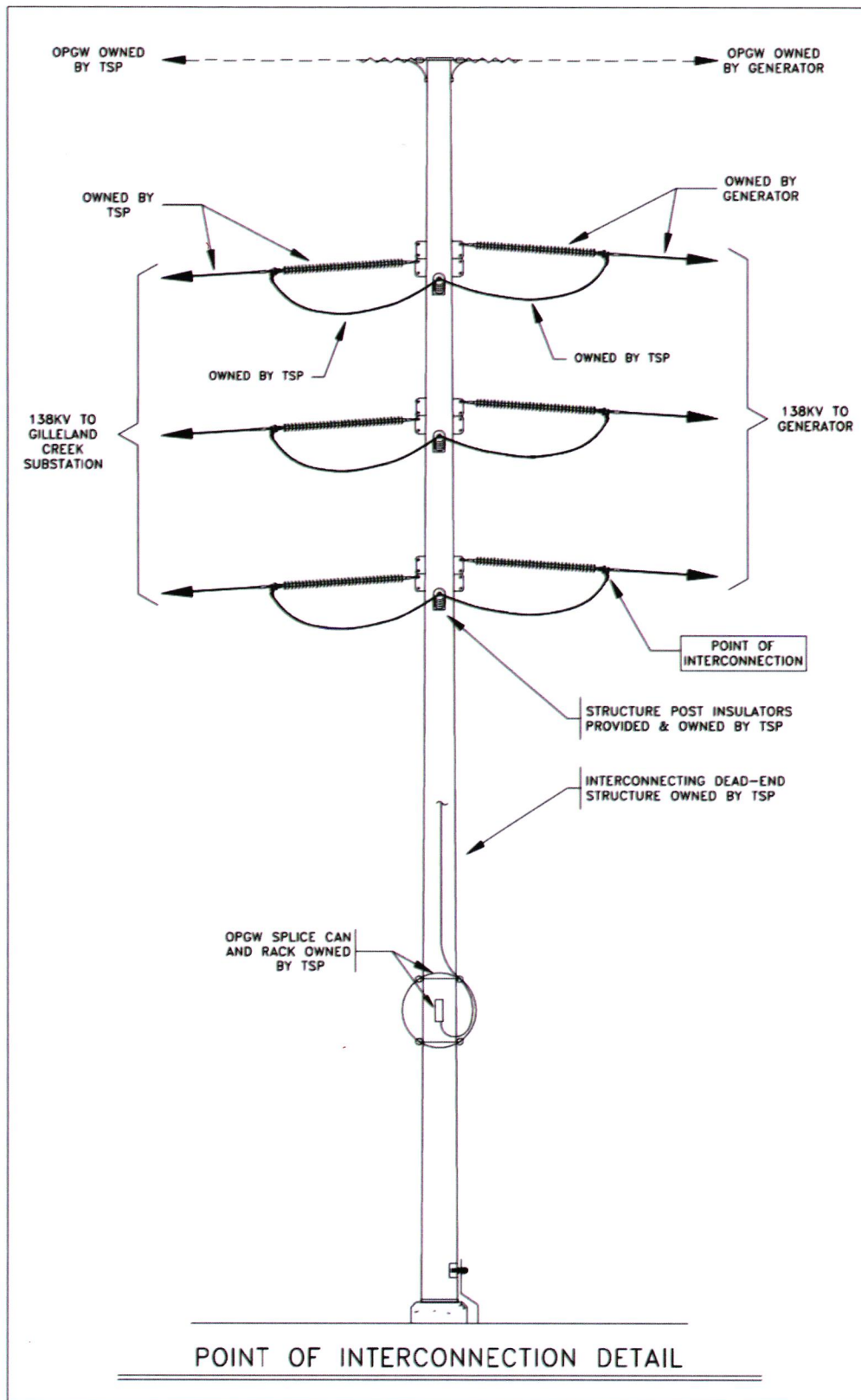
14. Special Operating Conditions:

- A. Quality of Power: Generator shall provide a quality of power into the TSP system consistent with the applicable ERCOT Requirements and NERC Reliability Standards.

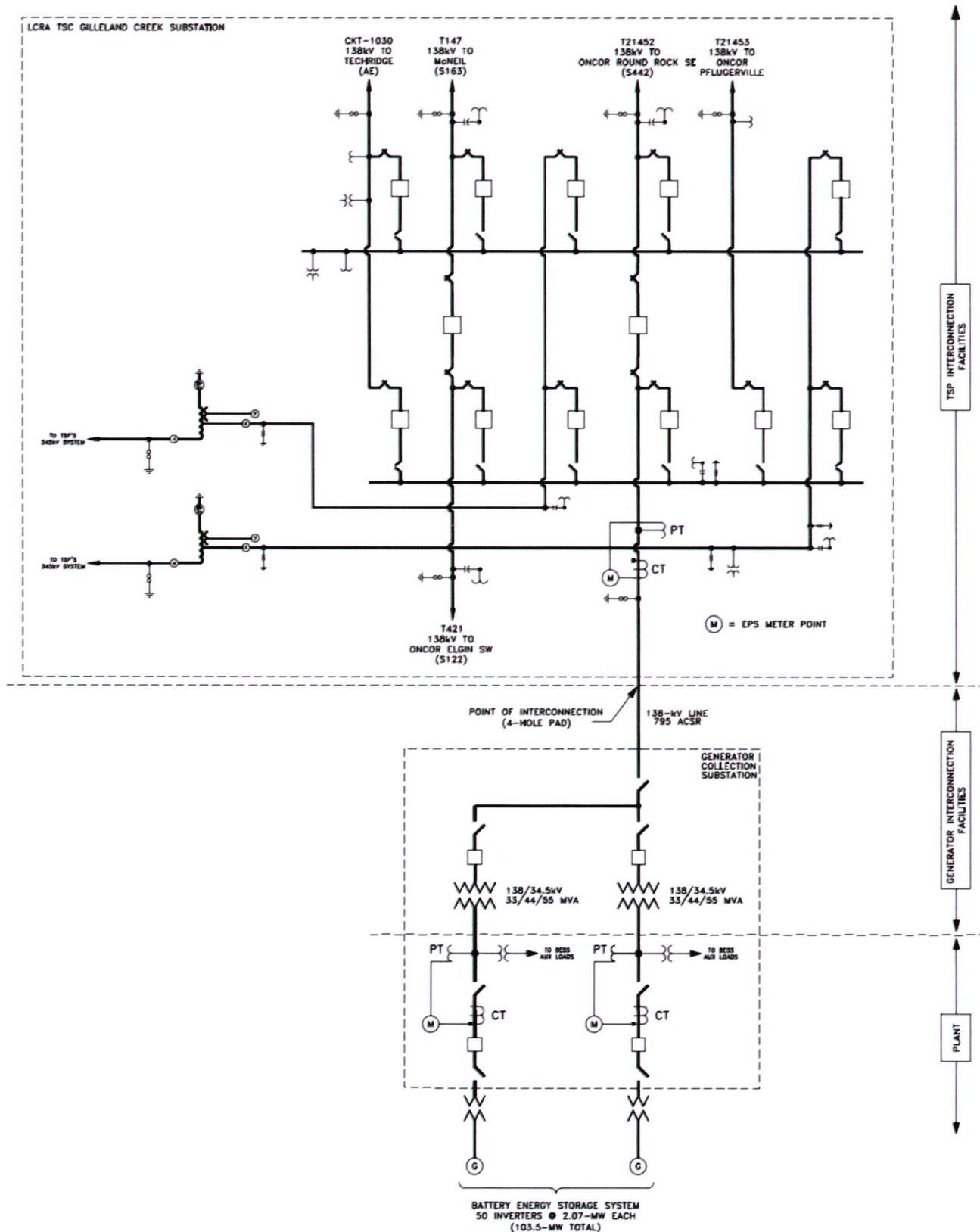
- B. Harmonics: The Generator's alternating current generating system must have a frequency of 60 Hz, be designed for balanced three-phase operation, not cause unreasonable imbalance on the ERCOT System or the TSP Substation equipment, and adhere to the recommendations in Institute of Electrical and Electronic Engineers Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems (IEEE 519), or its successor.
- C. Voltage, Frequency and Reactive Support:
  - 1. Generator shall have and maintain the reactive capability as required in the ERCOT Requirements.
  - 2. Generator shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the ERCOT requirements for Voltage Ride Through (VRT) capability.
  - 3. The Generator shall be equipped with both frequency and voltage controls and shall be operated in synchronism with the TSP's system with such controls in service. Generator shall notify the TSP at any such time that such controls are out of service.
- D. ERCOT Operating Arrangements: A special ERCOT-approved operating arrangement such as a Remedial Action Plan or Remedial Action Scheme may be required either prior to, or after, Commercial Operation. The terms "Remedial Action Plan" and "Remedial Action Scheme" shall have the meanings as set forth in the ERCOT Requirements. TSP and ERCOT will examine the need and feasibility of these arrangements in cooperation with the Generator. In the event that ERCOT determines that such an arrangement is required, then TSP, ERCOT, and Generator will cooperate to design and install the necessary facilities, to be operational for the duration of the period where such Remedial Action Plan or Remedial Action Scheme may be necessary.
- E. Back-up Power during Point of Interconnection Outage: The Generator acknowledges that this Point of Interconnection may not always be available due to maintenance or other outage activities and at these times of unavailability the loss of both generator output and power delivery to the Generator will not be the responsibility of the TSP. The Generator is responsible for providing any back-up power sources that it may require due to the unavailability of this Point of Interconnection for any period of time.

### Exhibit "C1"

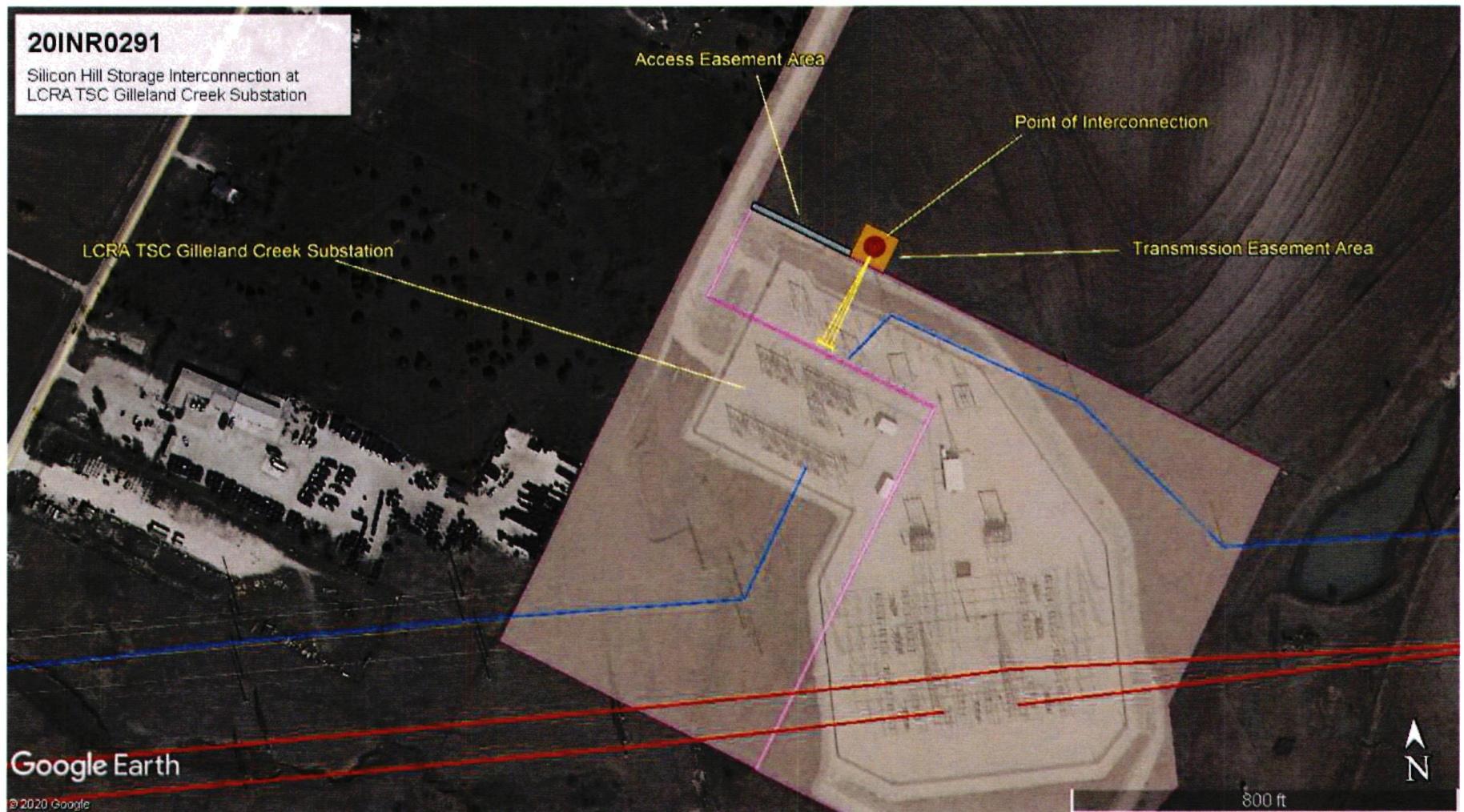
#### Point of Interconnection Details





**Exhibit "C2"****One Line Diagram – TSP Interconnection Facilities, Generation Interconnection Facilities and the Plant**

**Exhibit "C3"**  
Substation Location – TSP Interconnection Facilities



**Exhibit "D"**  
**Notice and EFT Information of the ERCOT Standard Generation  
Interconnection Agreement**

**(a) Notices regarding outage coordination shall be sent in writing and/or may be sent between the Parties via electronic means as follows:**

If to Transmission Service Provider:

Telephone (800) 223-7622

E-mail: [SOCCOUTAGECoordination@lcra.org](mailto:SOCCOUTAGECoordination@lcra.org)

If to Generator:

Telephone: (516) 279-2955

E-mail: [energyops@keycaptureenergy.com](mailto:energyops@keycaptureenergy.com)

**(b) All other notices of an operational nature such as notices related to system operations, power quality or other related concerns shall be in writing and/or may be sent between the Parties via electronic means including facsimile as follows:**

If to Transmission Service Provider:

LCRA Transmission Services Corporation

Attn: VP, LCRA Transmission System Operations

Address: P.O. Box 220

City, State, Zip: Austin, TX 78767

Operational/Confirmation Fax (512) 730-6311

24 Hour Telephone (800) 223-7622

E-mail: [dan.smith@lcra.org](mailto:dan.smith@lcra.org)

If to Generator:

KCE TX 12, LLC

Attn: Interconnection Notice

Address: 25 Monroe Street, Suite 300

City, State, Zip: Albany, NY 12210

Operational/Confirmation Fax:

24 Hour Telephone: (516) 279-2955

E-mail: [energyops@keycaptureenergy.com](mailto:energyops@keycaptureenergy.com)

**(c) Notices of an administrative nature pursuant to the notice requirements provided in Exhibit "B" and financial security requirements provided in Exhibit "E" of the Agreement shall be in writing and/or may be sent between the Parties via electronic means including facsimile as follows:**

If to Transmission Service Provider:

LCRA Transmission Services Corporation

Attn: VP, LCRA Transmission Design & Protection

Address: P.O. Box 220

City, State, Zip: Austin, TX 78767

Fax: (512) 578-4193

Phone: (512) 578-4149

E-mail: [sergio.garza@lcra.org](mailto:sergio.garza@lcra.org)

If to Generator:

KCE TX 12, LLC

Attn: Interconnection Notice

Address: 25 Monroe Street, Suite 300

City, State, Zip: Albany, NY 12210

Fax:

Phone: (832) 718-3568

E-mail: [michael.bowring@keycaptureenergy.com](mailto:michael.bowring@keycaptureenergy.com)

**(d) Notice for statement and billing purposes:**

If to Transmission Service Provider:

Company Name (Same as (c) above)

Attn:

Address

City, State, Zip

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

If to Generator:

KCE TX 12, LLC

Attn: Accounting

Address: 25 Monroe Street, Suite 300

City, State, Zip: Albany, NY 12210

Phone: (518) 698-7872

E-mail: [accountspayable@keycaptureenergy.com](mailto:accountspayable@keycaptureenergy.com)

## Exhibit “E”

### Security Arrangement Details

1. **Security Requirements:** In accordance with the dates in Exhibit “B” Generator shall cause to be established pursuant to Section 8.3 of Exhibit “A”, and shall at all times through the earlier of (i) ten (10) Business Days after the date upon which TSP receives written notification from Generator that Commercial Operation has been achieved and TSP has verified the same with ERCOT or (ii) ninety (90) days after the termination of the Agreement in accordance with its terms (the earlier of which shall be the “Final Expiration Date”), cause to be maintained in full force and effect a cash deposit or other security reasonably acceptable to TSP (“Security Instrument”) for the benefit of TSP in a commercially acceptable form consistent with this Exhibit “E” and otherwise acceptable to TSP and Generator, which acceptance shall not be unreasonably withheld, in the amounts and for the periods set forth below.

Business Day shall mean any day other than a Saturday, a Sunday, or a holiday on which national banking associations in the State of Texas are permitted or required to be closed.

Notwithstanding the Expiration Dates there shall be no obligation by Generator to establish or maintain the Security Instrument after the Final Expiration Date and any Security Instrument outstanding as of the Final Expiration Date shall be immediately surrendered by TSP.

The maximum stated amounts, Effective Dates, and Expiration Dates of the Security Instrument(s) shall be as follows:

Maximum Stated Amount	Effective Date	Expiration Date
Amount of \$ [REDACTED] for Engineering, Procurement and Construction	[REDACTED]	No earlier than fifteen (15) months after the Commercial Operation Date

TSP may, by written notice to Generator, require Generator to increase or replenish the Security Instrument from time to time if TSP determines in its reasonable discretion that the remaining Security Instrument amount is not adequate to cover the costs that TSP then reasonably estimates could become payable pursuant to this Agreement; provided, however, that TSP may not require additional Security Instrument amounts for costs that are caused by TSP’s failure to comply with its obligations under this Agreement. Generator will tender any such increase or replenishment of the Security Instrument(s) to TSP within fifteen (15) days of the date of TSP’s written notice to Generator of a necessary increase or replenishment.

Failure to deliver, maintain, replace, increase or replenish the Security Instrument(s) within the time periods noted in this Exhibit “E” shall be deemed a Default under Section 10.6 of



the Agreement, notwithstanding any cure period otherwise provided for in Section 10.6. No forbearance or delay on the part of TSP in requiring an increase, replenishment, or replacement of the Security Instrument will be considered a waiver of TSP's right to do so.

- A. Cash Deposit: Generator may provide all or a portion of the Security Instrument in the form of a cash deposit. Payments by Generator to TSP under this Agreement shall be made in immediately available funds payable to TSP pursuant to wire transfer instructions to be provided by TSP to Generator, or other form of payment acceptable to TSP. In accordance with Section 8.3 of Exhibit "A", any repayment or return of such cash deposit shall include interest at a rate applicable to customer deposits as established from time to time by the PUCT.

Generator may replace a cash deposit with a Letter of Credit after review and acceptance of a Letter of Credit from a bank acceptable to TSP. TSP shall return the cash deposit to Generator in exchange for the Letter of Credit once the Letter of Credit is fully acceptable to TSP.

- B. Letter of Credit: "Letter of Credit" shall mean an irrevocable, transferable letter of credit, issued by a Generator-selected and TSP-approved (which approval shall not be unreasonably withheld), major U.S. commercial bank or a major foreign commercial bank with a U.S. branch office with a credit rating of at least "A-" by Standard & Poor's, "A3" by Moody's Investor Service, or "A-" by Fitch, and with capital and surplus of at least \$1.0 billion ("Bank"). A Bank approved by TSP for the initial Letter of Credit shall be deemed approved for a subsequent Letter of Credit absent (i) any notice by TSP to Generator of a necessary increase or replenishment of the Security Instrument and (ii) any adverse change in credit rating between the initial Effective Date and the Effective Date for such subsequent Letter of Credit. An adverse change shall be deemed to have occurred if the issuer experiences a rating downgrade. If the issuer of the current Letter of Credit suffers such adverse change in credit rating, it shall no longer be a TSP-approved Bank for purposes of issuing commercially acceptable security for this Agreement until its rating has been increased to at least the aforementioned credit rating standards and Generator will replace such Letter of Credit with a Security Instrument meeting the requirements of this Agreement. Generator will tender any such replacement of the Security Instrument(s) to TSP within fifteen (15) days of the date of the reduction in bank credit rating.

If the Security Instrument(s) are set to expire in sixty (60) days or less and the Generator has not provided alternate security in accordance with the Agreement the TSP shall be entitled to draw on the available amount of the Security Instrument(s).