



Control Number: 35077



Item Number: 1266

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Austin, Texas 78701
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May 19, 2021

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

Re: Project No. 35077 – Sharyland Utilities, L.L.C. Generation Interconnection Agreement
between Sharyland Utilities, L.L.C. and Ignacio Grid, LLC

Ms. Trevino,

Please find attached Amendment No.1 to that certain Generation Interconnection Agreement (“Agreement”) between Sharyland Utilities, L.L.C. (“Sharyland”) and Ignacio Grid, LLC (“Generator”), for filing with the Public Utility Commission of Texas pursuant to 16 Tex. Admin. Code § 25.195(e). Because the Agreement contains deviations from the Standard Generation Interconnection Agreement, Sharyland has prepared this letter explaining the changes and requests that it be filed with the Agreement.

Exhibits “B”, “D”, and “E”

- Exhibits B, D, and E have been modified to update project specific details.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris McBay".

Christopher McBay
Counsel for Sharyland Utilities, L.L.C.

1266

Docket No. 35077

Amendment No. 1

to the

ERCOT STANDARD GENERATION INTERCONNECTION AGREEMENT

Between

Ignacio Grid, LLC

and

Sharyland Utilities, L.L.C.

for

Ignacio Grid
Project No. 21INR0522

May 5, 2021

AMENDMENT NO. 1 TO THE
ERCOT STANDARD GENERATION INTERCONNECTION AGREEMENT
BETWEEN
SHARYLAND UTILITIES, L.L.C.
AND
IGNACIO GRID, LLC

This Amendment No. 1 ("Amendment") to the ERCOT Standard Generation Interconnection Agreement between Sharyland Utilities, L.L.C. ("Transmission Service Provider" or "TSP") and Ignacio Grid, LLC ("Generator") is entered into and dated effective as of May 5, 2021 (the "Effective Date"), by and between Transmission Service Provider and Generator, hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

WITNESSETH

WHEREAS, Transmission Service Provider and Generator are parties to that certain ERCOT Standard Generation Interconnection Agreement, dated as of October 26, 2020 (the "Interconnection Agreement");

WHEREAS, the Interconnection Agreement provides terms and conditions that allow for amendment of the Interconnection Agreement as mutually agreed by the Parties;

WHEREAS, Transmission Service Provider and Generator desire to modify the time schedule and financial security set forth in Exhibit "B" to the Interconnection Agreement;

WHEREAS, Transmission Service Provider and Generator desire to modify the payment terms for the financial security set forth in Exhibit "E" to the Interconnection Agreement; and

WHEREAS, the Parties intend to amend the Interconnection Agreement in accordance with the terms and conditions provided herein.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth herein, the Parties agree as follows:

I. CAPITALIZED TERMS

Unless expressly referenced and modified herein, capitalized terms used but not otherwise defined herein shall have the meanings specified in the Interconnection Agreement.

II. AMENDMENT TO THE AGREEMENT

1. The terms of this Amendment shall become effective on the Effective Date, subject to Governmental Authority (as defined in the Interconnection Agreement) approval, if required.

2. Exhibit B “Time Schedule” to the Interconnection Agreement is hereby replaced in its entirety as set forth on Attachment A hereto.

3. Exhibit D “Notice and EFT Information of the ERCOT Standard Generation Interconnection Agreement” to the Interconnection Agreement is hereby replaced in its entirety as set forth on Attachment B hereto.

3. Exhibit E “Security Arrangement Details” to the Interconnection Agreement is hereby replaced in its entirety as set forth on Attachment C hereto.

III. RATIFICATION OF OTHER TERMS

All other terms and conditions of the Interconnection Agreement that are not specifically amended by this Amendment, including the remaining Exhibits, shall remain unchanged and are hereby ratified by the Parties and shall continue to be in full force and effect.

IV. MULTIPLE COUNTERPARTS

This Amendment may be executed in two or more counterparts, each of which is deemed an original, but all constitute one and the same instrument. Each of the persons signing below represents and warrants that he or she is authorized to execute this Amendment on behalf of the Party indicated.

[Signature page to follow]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Amendment effective as of the Effective Date, to be duly executed by the persons set forth below in their respective capacities.

Sharyland Utilities, L.L.C.

DocuSigned by:
By: Michael Quinn
Michael Quinn
Vice President

DS
CM

Ignacio Grid, LLC

DocuSigned by:
By: Aislynn Shaffer
Aislynn Shaffer
Manager

Attachment A

Exhibit "B"
Time Schedule

Interconnection Option chosen by Generator (check one):

X Section 4.1.A. or ____ Section 4.1.B

Notwithstanding anything to the contrary in the Interconnection Agreement, as may be amended from time to time, the Parties agree as follows:

1. Interconnection Option. The interconnection option chosen by Generator is Section 4.1.A of the Interconnection Agreement. None of the provisions of Section 4.1.B of the Interconnection Agreement shall have any force or effect and the Parties' respective rights and obligations shall be governed solely by Section 4.1.A thereof.
2. Acceptable Credit Support. Security provided by Generator shall be in the form of one of the following (each "Acceptable Credit Support").
 - a. "Cash" means cash denominated in United States dollars delivered by wire transfer to an account designated by Transmission Service Provider.
 - b. "Acceptable Guaranty" means a guaranty issued by an Acceptable Guarantor in a form reasonably acceptable to Transmission Service Provider. "Acceptable Guarantor" means a Person (other than an individual or a financial institution) with a corporate family rating at all times of at least A1 by Moody's Investors Service, Inc., or any successor to its ratings business ("Moody's") with a stable outlook and with a corporate credit rating of at least A+ by Standard & Poor's Ratings Group, a division of McGraw-Hill, Inc., or any successor to its ratings business ("S&P") with a stable outlook.
 - c. "Letter of Credit" means a letter of credit as set forth in Exhibit E (together with any replacement letter of credit) issued or confirmed by an Acceptable Bank. Acceptable Bank means a commercial bank that (x) has a long-term credit rating of at least A2 by Moody's and A by S&P, (y) has a combined capital and surplus of at least \$1,000,000,000, and (z) is able to honor demands for payment at its offices in New York, NY or such other location as may be acceptable to TSP in its sole discretion.
 - i. The Letter of Credit shall initially be issued in an amount of USD \$223,000, which amount may be increased in accordance with the provisions of Section 3 below.
 - ii. The full amount of the Letter of Credit shall be drawable (1) upon any failure to renew (so long as the issuing bank continues to qualify as an Acceptable Bank) such Letter of Credit or replace such Letter of Credit with another letter of credit in the amount required hereby and issued by Acceptable Bank at least twenty (20) days prior to its renewal or expiration date, as the case may be, or (2) if the issuing bank no longer constitutes an Acceptable Bank and Generator has failed to replace such Letter of Credit with a letter of credit in the amount required hereby and issued by an Acceptable Bank within twenty (20) days after Generator

becomes aware of such issuer ceasing to be an Acceptable Bank. Any funds drawn pursuant to the preceding sentence shall be held by TSP as security and applied in accordance with this Exhibit B and the Interconnection Agreement.

- d. At any time when Generator has provided security in one form of Acceptable Credit Support, Generator may replace that form of security with another form of Acceptable Credit Support. If, at any time, there is no Acceptable Credit Support, such failure shall constitute a Default under the Interconnection Agreement, and without limitation, TSP shall be relieved of its obligations hereunder and may exercise any and all remedies available hereunder and under applicable law.
3. Adjustments to Letter of Credit Amount. Generator acknowledges that the amount required for the Letter of Credit is a good faith estimate based upon TSP's prior experience and general industry knowledge, and Generator further acknowledges such amount may need to increase as TSP performs the services below. Upon notice from TSP that the security provided will not be sufficient for the completion of the TIF, TSP shall be entitled to cease all work on the TIF until Generator has provided additional security that, in TSP's reasonable opinion, is sufficient to allow for the completion of the TIF.
 4. Scheduled Date(s):
 - a. In - Service Date(s): October 4, 2021
 - b. Scheduled Trial Operation Date: November 29, 2021
 - c. Scheduled Commercial Operation Date: March 3, 2022
 5. Covered Costs
 - a. Generator agrees to reimburse TSP for all Covered Costs (defined below) upon any of the following events: (i) the Generator elects to terminate the Interconnection Agreement pursuant to Section 2.1, or (ii) the Interconnection Agreement is otherwise terminated. "Covered Costs" include all costs and expenses incurred, or committed to be incurred by or on behalf of TSP in connection with its efforts to complete the TIF by the In-Service Date (defined below), including (but not limited to) costs associated related to planning, engineering, designing, acquiring rights-of-way, licensing, procuring equipment and materials (including any cancellation or termination fees), legal fees, financing fees, and other ancillary fees, whether such costs and expenses are internal costs of allocated personnel and resources, or external costs (contractors, third-party consultants, outside counsel, etc.), or both.
 - b. TSP has the right to demand payment under the Letter of Credit, or other security provided hereunder, for any amount payable under the Interconnection Agreement (including this Exhibit B). TSP shall have no obligation to seek payment from Generator for the Covered Costs prior to demanding payment under the Letter of Credit, or any other security provided to TSP by or on behalf of Generator.
 - c. For the avoidance of doubt, (i) Section 10.5 (Force Majeure) of the Interconnection Agreement shall not apply to Generator's payment obligations with respect to the Covered Costs, or other payment obligations under the Interconnection Agreement; and (ii) Section 10.16 (Consequential Damages) of the Interconnection Agreement, shall

not apply to TSP's right to collect, or Generator's obligation to reimburse Covered Costs.

Due to the nature of the subject of this Agreement, the Parties may mutually agree to change the date and time of this Exhibit B, including when actions and/or security is required.

Attachment B

DATE: April 20, 2021

Exhibit "D"

Notice and EFT Information of the ERCOT Standard Generation Interconnection Agreement

(a) All notices of an operational nature shall be in writing and/or may be sent between the Parties via electronic means including facsimile as follows:	
<p>If to <i>Ignacio Grid, LLC</i></p> <p>Company Name: <u>Ignacio Grid, LLC</u> Attn: <u>Aislynn Shaffer</u> Address: <u>988 Howard Ave Suite 200</u> City, State, Zip: <u>Burlingame, CA 94010</u> 24 Hour Telephone: (650) 744-2103 Operational/Confirmation Fax: E-mail: <u>contracts@eolianenergy.com</u></p>	<p>If to <i>Sharyland Utilities, L.L.C.</i></p> <p>Company Name: <u>Sharyland Utilities, L.L.C.</u> Attn: <u>Operations</u> Address: <u>1900 N. Akard St.</u> City, State, Zip: <u>Dallas, TX 75201</u> 24 Hour Telephone <u>(866) 354-3335</u> Operational/Confirmation Fax <u>(214) 855-6701</u> E-mail <u>RFO@sharyland.com</u></p>
(b) Notices of an administrative nature:	
<p>If to <i>Ignacio Grid, LLC</i></p> <p>Company Name: <u>Ignacio Grid, LLC</u> Attn: <u>Aislynn Shaffer</u> Address: <u>988 Howard Ave Suite 200</u> City, State, Zip: <u>Burlingame, CA 94010</u> Phone: (650) 744-2103 E-mail: <u>contracts@eolianenergy.com</u></p>	<p>If to <i>Sharyland Utilities, L.L.C.</i></p> <p>Company Name <u>Sharyland Utilities, L.L.C.</u> Attn: <u>President</u> Address: <u>1900 N. Akard St.</u> City, State, Zip: <u>Dallas, TX 75201</u> Phone: <u>(214) 978-8958</u> Fax: <u>(214) 855-6701</u></p>
(c) Notice for statement and billing purposes:	
<p>If to <i>Ignacio Grid, LLC</i></p> <p>Company Name: <u>Ignacio Grid, LLC</u> Attn: <u>Aislynn Shaffer</u> Address: <u>988 Howard Ave, Suite 200</u> City, State, <u>Burlingame, CA 94010</u> Phone: (650) 744-2103 E-mail: <u>reaccounting@eolianenergy.com</u></p>	<p>If to Sharyland Utilities, L.L.C.</p> <p>Company Name: <u>Sharyland Utilities, L.L.C.</u> Attn: <u>Accounts Payable</u> Address: <u>1900 N. Akard St.</u> City, State, Zip: <u>Dallas, TX 75201</u> Phone <u>(214) 978-8958</u> E-mail <u>ap@sharyland.com</u></p>
(d) Information concerning electronic funds transfers:	
<p>If to <i>Ignacio Grid, LLC</i></p> <p>BancFirst Oklahoma City, OK 73102 ABA No. 103003632 for credit to: Madero StorageCo, LLC Account No. 4005236411</p>	<p>If to</p> <p>Bank Name City, State ABA No. _____ for credit to: _____ Account No. _____</p>

Attachment C

Exhibit "E"
Security Arrangement Details

As of the Effective Date, Generator shall provide total surety to TSP in the amount of USD \$223,000.00 (two hundred twenty three thousand dollars). Generator has elected to provide total surety as Cash, of which, \$62,500 (sixty two thousand five hundred) was provided on October 27, 2020, and \$160,500 (one hundred sixty thousand five hundred) shall be provided as of the Effective Date. In the event such Cash is replaced with a Letter of Credit, the form of the Letter of Credit shall be as set forth below.

For the avoidance of doubt, in the event that the Standard Generation Interconnection Agreement for the Madero Grid Project (21INR0244) is terminated or the Madero Grid Project is otherwise not completed for any reason and, as a result, the security amount (if any) previously provided by Generator will not be sufficient for the completion of the TIF, TSP shall be entitled to cease all work on the TIF until Generator has provided additional security that, in TSP's reasonable opinion, is sufficient to allow for the completion of the TIF.

FORM OF IRREVOCABLE STANDBY LETTER OF CREDIT

DATE OF ISSUANCE: _____

Re: Credit No. _____

Expiration Date: [____], 2022

Amount: \$[Amount] USD

WE HEREBY ISSUE OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. XXXXXXXX IN FAVOR OF SHARYLAND UTILITIES, L.L.C. ("SHARYLAND") BY ORDER OF XXXX (THE "ACCOUNT PARTY") FOR AN AGGREGATE SUM NOT TO EXCEED USDXXXXXXXXX EFFECTIVE IMMEDIATELY AND EXPIRING AT OUR COUNTERS LOCATED AT [ADDRESS] ATTN: SDC UNIT WITH OUR CLOSE OF BUSINESS ON [____], 2022.

THIS LETTER OF CREDIT IS AVAILABLE BY YOUR DRAFT(S) AT SIGHT DRAWN ON US MENTIONING OUR LETTER OF CREDIT NUMBER INDICATED ABOVE ACCOMPANIED BY:

(1) an original or photocopy of this Letter of Credit and any effective amendments to this Letter of Credit, and (2) Sharyland's demand draft for payment, marked "Drawn under [Issuing Bank] Irrevocable Standby Letter of Credit No. _____," indicating the amount of such demand (which amount, together with the amounts of all previous draws presented hereunder, however, shall not exceed the face amount of this Letter of Credit) and accompanied by a statement signed by an officer or other authorized representative of Sharyland with the following statement:

"Pursuant to the ERCOT Standard Interconnection Agreement between Sharyland and Ignacio Grid, LLC, the undersigned beneficiary is entitled to demand payment under this Letter of Credit. The undersigned does hereby demand payment under this Letter of Credit No. ____ of \$ _____ USD."

Documents drawn under and in compliance with the terms of this Letter of Credit shall be duly honored upon presentation as specified. Partial and multiple drawings are permitted hereunder. The amounts that may be drawn under this Letter of Credit shall be automatically reduced by the amount of any payments made through the Issuing Bank referencing this Letter of Credit No. ____.

This Letter of Credit shall be governed by the International Standby Practices (ISP98), International Chamber of Commerce Publication No. 590, or revision currently in effect (the "ISP"), except to the extent that the terms hereof are inconsistent with the provisions of the ISP. As to matters not governed by the ISP, this Letter of Credit shall be governed by the laws of the State of New York, including the Uniform Commercial Code.

Any legal action or proceeding with respect to this Letter of Credit shall be brought in the courts of the State of New York in the County of New York or the United States of America in the Southern District of New York. Sharyland (by its acceptance hereof) and the Issuing Bank irrevocably submit to the nonexclusive jurisdiction of such courts solely for the purposes of this Letter of Credit. Sharyland (by its acceptance hereof) and the Issuing Bank hereby waive to the fullest extent permitted by law any objection either such party may now or hereafter have to the laying of venue in any such action or proceeding in any such court.

The Issuing Bank hereby waives, to the fullest extent permitted by applicable law, any and all rights or remedies of subrogation that it might otherwise have with respect to the beneficiary arising out of this Letter of Credit, whether to claims held by the beneficiary or against the beneficiary, including any such rights or remedies resulting from the application, if any, of Section 5-117 of the New York Uniform Commercial Code, it being the Issuing Bank's express agreement that in the event of a draw under this Letter of Credit its only recourse shall be to seek reimbursement from the Account Party.

This Letter of Credit sets forth in full the terms of the Issuing Bank's undertaking, and this undertaking shall not in any way be amplified or extended by reference to any other document, instrument or agreement.

All commissions, expenses and charges incurred in connection with this Letter of Credit are for the account of the Account Party.

IT IS A CONDITION OF THIS STANDBY LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED, WITHOUT AMENDMENT, FOR ONE YEAR FROM THE PRESENT OR ANY FUTURE EXPIRATION DATE HEREOF, UNLESS WE NOTIFY YOU IN WRITING VIA COURIER SERVICE NO LATER THAN 90 DAYS PRIOR TO THE THEN EXPIRATION DATE THAT WE ELECT NOT TO CONSIDER THIS LETTER OF CREDIT EXTENDED FOR ANY SUCH ADDITIONAL PERIOD; PROVIDED THAT IN NO EVENT MAY THIS LETTER OF CREDIT BE EXTENDED BEYOND [DATE].

THE ISSUING BANK WILL NOT MAKE ANY PAYMENT UNDER THIS STANDBY LETTER OF CREDIT TO, AND THIS LETTER OF CREDIT MAY NOT BE TRANSFERRED TO, ANY PERSON WHO IS LISTED ON A UNITED NATIONS, EUROPEAN UNION OR UNITED STATES OF AMERICA SANCTIONS LIST, NOR TO ANY PERSON WITH WHOM THE ISSUING BANK IS PROHIBITED FROM ENGAGING IN TRANSACTIONS UNDER APPLICABLE UNITED STATES FEDERAL OR STATE ANTI-BOYCOTT, ANTI-TERRORISM OR ANTI-MONEY LAUNDERING LAWS.

[BANK SIGNATURE]