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October 04, 2022

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

RE: Project No. 35077, ERCOT Standard Generation Interconnection Agreement between CenterPoint Energy Houston Electric, LLC and Cutlass Solar, LLC and Cutlass Solar II, LLC

To whom it may concern:

Enclosed for filing in Project No. 35077 is the First Amendment to First Amended and Restated ERCOT Standard Generation Interconnection Agreement (SGIA) dated September 1, 2022 between CenterPoint Energy Houston Electric, LLC and Cutlass Solar II, LLC. This filing is made pursuant to 16 Tex. Admin. Code § 25.195(e).

Respectfully submitted,

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Mickey Moon Assistant General Counsel CenterPoint Energy Houston Electric, LLC

Enclosures: (1) Executed First Amendment

EXHIBIT 1

FIRST AMENDMENT TO FIRST AMENDED AND RESTATED ERCOT STANDARD GENERATION INTERCONNECTION AGREEMENT

This First Amendment ("Amendment") to the First Amended and Restated ERCOT Standard Generation Interconnection Agreement, (the "SGIA") dated as of February 2, 2021, is made between **Cutlass Solar, LLC and Cutlass Solar II, LLC** (collectively, "Generator") and **CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC** ("CenterPoint Energy"), (collectively, "the Parties") effective as of the 1st day of September, 2022. In consideration of the mutual promises and undertakings herein set forth, Generator and CenterPoint Energy agree to amend the SGIA as follows:

Exhibit "B", Exhibit "C", Exhibit "E", and Exhibit "H" to the SGIA are hereby replaced in their entirety with the Exhibit "B", Exhibit "C", Exhibit "E", and Exhibit "H" attached to this Amendment.

Except as otherwise expressly provided for herein, the SGIA will continue in full force and effect in accordance with its terms.

Generator and CenterPoint Energy have caused this Amendment to be executed in several counterparts, each of which shall be deemed to be an original, but all shall constitute one and the same instrument.

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC			CUTLASS SOLAR LLC		
By:	Docusigned by: Karin Sarris A2850C8857334EF	By:	Paul Cahill		
Name:	Kevin Sarvis	Name:.	Paul Cahill		
Title:	Manager, Transmission	Accounts and Title:_	sweepresident		
Date:	September 30, 2022	Date:	September 20, 2022		

CUTLASS SOLAR II LLC

Bv:

Name: Collin Brown

Date: September 9, 2022

Exhibit "B" Time Schedule

I. <u>Time Schedule for Cutlass Plant:</u>

1. Interconnection Option chosen by Generator (check one):

<u>X</u> Section 4.1.A. or <u>Section 4.1.B</u>

If Section 4.1.B is chosen by Generator, the In-Service Date(s) was determined by (check one):

(1) <u>N/A</u> good faith negotiations, or (2) <u>N/A</u> designated by Generator upon failure to agree.

2. Cutlass must deliver each of the following items (collectively, the "Prerequisite Items") to TSP by no later than February 16, 2021 (the "Scheduled Start Date" for the Cutlass Plant):

A. The Cutlass Notice to Proceed defined in Section 4.2 of Exhibit "A"; and

B. The Security described in Exhibit "E."

- 3. The TIF In-Service Date for the Cutlass Plant is the later of <u>May 16, 2022</u> or <u>15</u> months after TSP's receipt of the Prerequisite Items.
- 4. The scheduled Commercial Operation Date for the Cutlass Plant is the later of <u>August 16, 2022</u> or <u>3</u> months after the In-Service Date for the Cutlass Plant.

II. <u>Time Schedule for Cutlass II Plant</u>

1. 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) <u>N/A</u> good faith negotiations, or (2) <u>N/A</u> designated by Generator upon failure to agree.

2. In addition to Cutlass's delivery of the Prerequisite Items, Cutlass II must deliver each of the following items (collectively, the "Additional Prerequisite Items") to TSP by no later than <u>December 31, 2023</u> (the "Scheduled Start Date" for the Cutlass II Plant):

A. The Cutlass II Notice to Proceed defined in Section 4.3 of Exhibit "A"; and

B. The CIAC described in Exhibit "E."

- 3. The TIF In-Service Date for the Cutlass II Plant is the later of <u>April 30, 2024</u> or <u>4</u> months after TSP's receipt of the Prerequisite Items or 4 Months after TSP's receipt of the Additional Prerequisite Items.
- 4. The scheduled Commercial Operation Date for the Cutlass II Plant is the later of July 31, 2024 or <u>3</u> months after the In-Service Date for the Cutlass II Plant.

If one Generator has achieved the Commercial Operation Date for its Plant and the other Generator (i) notifies the TSP that it does not intend to complete the full build-out of its Plant to achieve its Commercial Operation Date, or (ii) fails to achieve the Commercial Operation Date of its Plant within 12 months following the scheduled Commercial Operation Date for its Plant, then this Agreement shall be amended to define the "Plant" to mean the Plant(s) as then constructed and connected to the TIF and shall exclude any uncompleted portion that remains to be built out.

The Parties may change the dates and times in this Exhibit B in accordance with Section 4.5 of Exhibit "A."

Exhibit "C" Interconnection Details

- 1) Plant Name: Cutlass I and Cutlass II Solar Projects.
- 2) Point of Interconnection Location
 - A) TSP system side of Plant's terminating structure inside Generator's CUTLASS, located at 12907 FM 361 Richmond, Fort Bend County, Texas.
- 3) Delivery Voltage: <u>345</u> kV
- 4) Number and Size of Generating Unit(s) (the "Plants"):
 - A) The Cutlass and Cutlass II Plants are two solar generation facilities with a total net rating of 101.7 MW (the "Cutlass Planned Capacity") and 202.8 MW (the "Cutlass II Planned Capacity", and each a "Planned Capacity"), respectively, which is projected to be each Plant's aggregate Net Dependable Capability, as defined by ERCOT Requirements, consisting of the following:
- 5) Type of Generating Unit

Facility Name	SGIA MWs (Net MW at POI)	# of Inverters	Inverter Rating (@40°C)	Total Gross Capacity (@40°C)	Inverter Make	Inverter Model		
Cutlass	100MW Net	32	3.465MVA	110.880 MVA	Power Electronics	FS3350MU		
Cutlass II	200MW Net	52	4.2MVA	218.4 MVA	Power Electronics	FS4200MU		
Total Net Output at POI: 300 MW Net								

- A) Each electric generating unit has its own 630V-34.5 kV step up transformer. The step up transformer winding configuration is 34.5 kV Delta / 0.63 kV Wye.
- B) Three 34.5-345kV (main power) transformers, with the 34.5 kV winding connected to plant auxiliary transformers as well as the solar inverter feeders through generator feeder breakers. The main power transformers winding configuration is a 345 kV Wye Grounded/ 34.5 kV Wye Grounded/13.8 Delta buried.
- C) Each step-up, standby and auxiliary transformer connected at Delivery Voltage will have a circuit breaker for isolation from the TIF.
- D) Electrical characteristics of each Plant's generating units shall be in accordance with the most recent version of data that Generator has provided to TSP and shall be consistent with data provided to ERCOT.
- 6) Metering Equipment
 - A) TSP shall provide and install ERCOT Polled Settlement (EPS) primary and check meters, 345 kV instrument transformers and associated wiring required for measuring the output of the Plants' generation and auxiliary electrical load at TSP's WHALEY Substation. The 345 kV metering instrument transformers for the EPS metering shall be procured by TSP and owned, maintained, and replaced by TSP. TSP shall install and maintain the metering system's components in a manner

consistent with ERCOT Requirements and the PUCT Substantive Rules. Allocation of the EPS meter data to each Plant will be completed in accordance with ERCOT Nodal Protocols § 10.3.2.1.

- 7) Generator Interconnection Facilities (GIF) <u>Cutlass GIF and Cutlass II GIF</u>:
 - A) Each Generator shall furnish, operate, and maintain a complete generation facility capable of generating its respective portion of the Planned Capacity, including, but not limited to, all generators, power system stabilizers, generator step-up transformers, protective devices, and other transformers and associated foundations, all relays necessary for the protection, synchronization and coordination of the generators, generator auxiliary equipment and the disconnect switches and foundations at each respective Plant's GIF.
 - B) Each generation unit shall meet all voltage and reactive requirements as outlined in the ERCOT Protocol, ERCOT Operating Guides and other binding documents.
 - C) Each Generator shall furnish, own and maintain the connection from its respective Plant's equipment to the shared terminating structure at the Point of Interconnection, including phase conductors, static conductors, structure(s), tower fittings, suspension insulators, terminating clamps and line conductor terminal fittings.
 - D) TSP shall provide to Generators the TSP's alpha/numeric identifiers for incoming 345 kV transmission lines and shall provide TSP's alpha/numeric identifiers for high voltage circuit breakers, switches, power transformers, generators and certain low side equipment and the TSP's assigned 6-character substation identification for each GIF. The GIFs' high voltage circuit breakers, switches, transformers, generators and certain low side equipment, including 34.5kV feeder breakers, shall be identified with TSP's identifiers. TSP will develop a substation basic one-line diagram that includes these identification numbers on substation equipment and mount signs, labels, drawings, telephone numbers, and instructions on the GIFs. The Generators shall use TSP's assigned substation name, or Substation ID, and equipment identifiers in discussions with TSP and in RARF submittals.
 - E) Each Generator shall connect its generating plant ground mat, directly or indirectly to TSP's Substation ground mat. The grounding method shall be designated by the TSP and descriptions for each method are as follows:
 - Direct method direct method should be utilized when Generator's Plant's proximity makes directly bonding feasible. To obtain reasonable separation, direct bonding method shall consist of a minimum of two subgrade grounding connections originating from (and ending to) different corners of the two grids, in order to eliminate common mode failure. In this scenario, the two grounding systems are directly bonded via dedicated grounding conductors of adequate ampacity to establish electrical bond(s).
 - 2) Indirect method electrical bonding(s) between the generating plant ground mat and the TSP's ground mat established via overhead shield or static wires. The overhead grounding connections shall consist of static wire(s), of adequate ampacity, and be continuous throughout all transmission towers, if any, between the WHALEY and ROWLND Substations. The static wires shall be terminated or bonded at both ground mats via grounding leads (of adequate ampacity), which connect the ground grid to the static wire(s).
 - F) Electrical characteristics of Plants' Generator Interconnection Facilities shall be in accordance with the most recent version of TSP's "Specification for Customer 138 kV Substation Design", and in particular, the section pertaining to "Generation", but only to the extent the "Specification for Customer 138 kV Substation Design" is applicable to a 345 kV substation design attached hereto as Exhibit "I", and TSP's most recent version of minimum acceptable electrical, mechanical, and structural design characteristics for 345kV interconnection substation construction attached hereto as Exhibit "J",

- G) Cutlass shall provide one 34.5-345kV step-up transformer with a 345kV circuit breaker and disconnect switch for isolation from the WHALEY Substation and shared facilities. Cutlass II shall provide one 34.5-345kV step-up transformer with a 345kV circuit breaker and disconnect switch for isolation from the WHALEY Substation and shared facilities. Generators shall provide a shared disconnect switch for isolation from the WHALEY Substation.
- H) Generators shall provide NEMA four-hole pads on the shared terminating structure for connection to NEMA four-hole pads on TSP's connecting conductors.
- I) Each Generator shall facilitate TSP's acquisition of all necessary land rights, in a form reasonably acceptable to and drafted by TSP.
- J) Generators shall own all protective relays, instrument transformers, instrumentation, and control equipment physically located on Plant side of the Points of Interconnection.

Shared Facilities:

- K) The following Shared Facilities are jointly owned and used by the Generators:
 - 1. Coupling Capacitor Voltage Transformers (CCVTs)
 - 2. Disconnect Switch Point of Interconnection
 - 3. Terminating Structure at Point of Interconnection
 - 4. 345kV Bussing and associated foundations and support structures
 - 5. Check metering and telemetry equipment, as necessary
 - 6. Substation fiber termination panel
- L) Cutlass shall provide the foundations for the Plants' shared terminating structures and disconnecting devices. Cutlass shall design and install the Plants' shared terminating structure(s) and disconnecting devices in accordance with TSP's conductor loading requirements.
- 8) TSP Interconnection Facilities (TIF)
 - A) Generators shall facilitate TSP's acquisition of fee title to the property for the WHALEY Substation at an agreed price that shall not be greater than the market price as determined by an independent appraisal, the cost of said appraisal shall be split evenly between Generators and TSP. TSP shall subsequently construct the WHALEY Substation on real property at the location shown in Exhibit "H".
 - B) TSP shall complete its entire scope of work on the WHALEY Substation (except for Punch List Items) including, but not limited to, bus works, supports, structures, circuit breakers, disconnect switches, relays, and other equipment necessary for protection and coordination, controls, and wiring all as necessary to provide an interconnection between Plant's generation facilities and TSP's System; energize the same, and interconnect with Plant, all as provided herein.
 - 1) Punch List Items are defined as those non-material items of work that remain to be performed in order to ensure full compliance with this Agreement. Punch List Items do not include any items of work, alone or in the aggregate, non-completion of which (i) prevents the WHALEY Substation from being used for its intended purposes as described in this Agreement or in accordance with applicable laws; (ii) prevents the WHALEY Substation from being legally, safely, and reliably placed in commercial operation; or (iii) in the exercise of reasonable engineering judgment could have an adverse effect on the operation, efficiency, or reliability of the WHALEY Substation, or its ability to transmit the Plant's power to the ERCOT grid.
 - C) TSP shall furnish, own, and maintain the connection from TSP's equipment to Plants' terminating structure(s) at the Point of Interconnection, including phase conductors, static conductors, structures, tower fittings, suspension insulators, terminating clamps and line conductor terminal fittings with NEMA standard four-hole flat pads for attachment to the NEMA four-hole pads on Plants' terminating structure.

- D) TSP shall furnish, own, and maintain the connection from WHALEY Substation to TSP's transmission system.
- E) TSP shall develop and install transmission improvements that it determines, in its sole discretion, are foreseeable and reasonably necessary to safely, reliably, and economically integrate the Plants into the TSP System. TSP MAKES NO PROMISE, REPRESENTATION, OR WARRANTY AS TO WHETHER THE TSP SYSTEM WILL BE FREE OF CONSTRAINTS AT ANY TIME, INCLUDING BUT NOT LIMITED TO TIMES WHEN THE TRANSMISSION IMPROVEMENTS UNDER THIS AGREEMENT ARE BEING MADE OR AFTER THEIR COMPLETION.
- F) TSP shall construct the WHALEY Substation as shown on the drawing entitled "CenterPoint Energy 345 kV WHALEY Substation, Substation Development Plan for Cutlass Solar Project Interconnection Agreement Final Proposed Offer," dated 08-19-2020 ("WHALEY Substation Development Plan") and any subsequent modifications to such drawing(s) made by TSP and delivered to Generators ("Attached Drawings Exhibit "H").
- G) Generators shall facilitate TSP's acquisition of necessary land rights, in a form reasonably acceptable to and drafted by TSP.
- 9) Communications Facilities
 - A) TSP shall provide and maintain, at TSP's expense, a communication circuit for real-time data transmittal via SCADA equipment from the WHALEY Substation to TSP's Energy Management System.
 - B) Generators shall provide a fiber optic communication interface device on their end of the fiber and TSP will provide a fiber optic communication interface device on its end of the fiber associated with the RTU inputs between Plant and the WHALEY Substation.
 - C) Generators shall furnish RTU inputs identified in Exhibit "C", Paragraph 11)B) from the Plants to the WHALEY Substation's communication interface point.
 - D) Generators shall provide a voice telephone extension outlet in close proximity to Plant's relay panel that is located within the Plant. Such telephone extension outlet shall be connected to the local exchange carrier's telephone system; however, the telephone extension outlet may be connected to Plant's internal telephone system, provided Plant's internal telephone system is equipped with an uninterruptible power supply system.
 - E) TSP shall furnish RTU inputs identified in Exhibit "C", Paragraph 11)A) from WHALEY Substation to Plant's communication interface termination point.
 - F) TSP shall provide fiber optic communication cables of sufficient length and containing a sufficient number of strands to connect the Plants to the WHALEY Substation relay panel. TSP will stop at Generators' terminating structure(s) located at the Point of Interconnection and provide enough cable slack between Generators' terminating structure(s) and Generators' shared Substation fiber termination panel. Generators shall own the fiber optic communication cables from the Generators' fiber optic splice box(es) located at the terminating structure(s), at the Point of Interconnection, to inside the CUTLASS and Cutlass II Substation control houses. Generators shall take the fiber optic cables into the CUTLASS and Cutlass II Substations and terminate at their respective fiber termination panel.
- 10) System Protection Equipment
 - A) Generators shall provide two sets of protective relaying accuracy (C800) current transformers on Generators' 345 kV circuit breakers associated with the protective relaying between Plants and the WHALEY Substation. Each set of current transformers will provide signals to independent sets of primary and backup protective relays for the interconnecting lead between the GIF and the WHALEY Substation. The current transformer ratio will be approved by the TSP relay protection engineer and reflected on the Generators' drawings.
 - B) The fiber optic communication cables will have strands of single mode fiber optic cable to be utilized at 1300 nm wavelength for communication of protection data and telemetry.

11) Telemetry Requirements

- A) TSP shall furnish a substation SCADA RTU at the WHALEY Substation. The RTU will be multi-port equipped and operate with protocols compatible with TSP. The RTU will be equipped to monitor the WHALEY Substation as outlined in Paragraph 11 and control circuit breakers in the WHALEY Substation. TSP shall also furnish the RTU inputs, such as contacts and transducers, in the WHALEY Substation. Selected real-time data of the WHALEY Substation will be available at TSP's RTU for Generators' use. TSP's RTU will be equipped with a DNP-3 "Slave" serial communication port for this purpose. TSP shall furnish the fiber optic cable(s) between the WHALEY Substation and the Plants' RTU or DCS "Master" serial communication port for this purpose.
- B) Generators shall furnish Plant data to TSP's RTU communication port at the WHALEY Substation as referenced below. The Generators' RTU/DCS shall be equipped with a DNP-3 "Slave" serial communication port for this purpose. TSP shall furnish the fiber optic cable between the Plant and the WHALEY Substation RTU "Master" serial communication port for this purpose.
- C) Generators shall provide Plant data to ERCOT according to ERCOT requirements. TSP is not responsible for providing Plant data to ERCOT.
- D) Generators shall provide to TSP at TSP's WHALEY Substation the following signals originating at Generators' Plants:
 - 1) Analog Data from Plant
 - (i) Kilovolts for each collector bus (A phase scaled as line-to-line).
 - (ii) Net megawatts for each generator feeder (three phase).
 - (iii) Net megavars for each generator feeder (three phase).
 - (iv) Net megavars for the reactive support equipment (three phase).
 - (v) Kilovolts for 345 kV transmission voltage (A phase scaled as line-to-line).
 - (vi) Net megawatts and megavars for the 345 kV transmission line (three phase).
 - (vii) Frequency at the collector bus.
 - (viii) Megawatts and megavars for each 345/34.5 kV transformer (three phase).

(ix) Data at the plant electrical load points via digital panel meters (watts, vars, watt-hour from each meter)

- 2) Status Data from Plants
 - (i) Status of the 345 kV transmission voltage circuit breakers.
 - (ii) Status of all 34.5 kV circuit breakers and motor operated switches for feeders and reactive support equipment.
 - (iii) Status of generator automatic voltage regulator (automatic and manual).
- E) TSP will provide to Generators at Generators' CUTLASS and Cutlass II_Substations the following signals originating at TSP's WHALEY_ Substation:
 - 1) Analog Data from TSP Substation Devices
 - (i) Kilovolts for the Point of Interconnection (A phase scaled as line-to-line).
 - 2) Data from TSP Substation Devices
 - (i) Status of transmission voltage circuit breakers associated with the generator lead(s).
 - (ii) Alarm for failure of Pilot Wire/fiber optic relaying communication channels, if applicable.
- 12) Supplemental Terms and Conditions
 - A) The following drawings are attached and made a part of this agreement as Exhibit "H" Attached Drawings. (*Note: The drawings contain a line of demarcation between TSP provided facilities and Generator provided facilities*).
 - CenterPoint Energy 345 kV Cutlass Solar Project / WHALEY Substation for Cutlass Solar Project Interconnection Agreement – Final Substation Development Plan Basic Offer, dated 08-19-2020. ("Attached Drawings – Exhibit "H").

 Basic Offer – CenterPoint Energy 345kV One-Line Relaying and Metering diagram for Cutlass Solar LLC facility project facility study dated 04-2022. ("Attached Drawings – Exhibit "H").

B) Cost Responsibility:

- 1) Notwithstanding the provisions of Exhibit "A", Section 8.1, the amount of the contribution in aid of construction, if any, that Generators may be required to make, shall be specified in Exhibit "E", Security Arrangement Details.
- 2) The Generators do not desire any enhancements to TSP's basic offer interconnection facilities and therefore no contribution in aid of construction of the Transmission Interconnection Facilities is required, other than the CIAC associated with the interconnection of the Cutlass II Plant, as described in Exhibit E.
- 3) The TIF described herein is designed based on the generating capacity provided by the Generators. It is assumed that the each generating facility will be capable of generating its respective Planned Capacity by the Scheduled Commercial Operation Date for such Plant specified in Exhibit "B". Within the first 12 months following the Commercial Operation Date of a Plant, if the highest level of Actual Capacity is less than such Plant's Planned Capacity, the respective Generator shall be responsible for TIF costs, if any, that are determined, solely by the TSP, to have been incurred to accommodate such Generator's Planned Capacity, but are then determined to not be necessary to accommodate Generator's Actual Capacity. As used here, "Actual Capacity" shall mean the Plant's total Net Dependable Capability, as determined or accepted by ERCOT, in accordance with ERCOT Requirements. Generator shall pay such costs determined herein within thirty (30) days following the receipt of TSP's invoice.
- C) Authorization to Proceed:

1) Generators authorize TSP to begin work on any required transmission system additions, modifications, and upgrades and the WHALEY Substation additions, modifications, and upgrades secured by this agreement.

- D) Clarifications to Exhibit "A"
 - The Parties agree that at the time of executing this Agreement the references to the PUCT Rules contained within certain definitions set forth in Exhibit "A", "Article 1. Definitions" have the meanings ascribed to such terms as established in the current PUCT Rules. The Parties recognize that the PUCT Rules are amended from time to time by the PUCT. The parties also acknowledge that ERCOT issues ERCOT Requirements in which terms are redefined from time to time. When the PUCT Rules or ERCOT Requirements are amended and terms defined in Exhibit "A", "Article 1. Definitions" are affected by such amendments, the Parties agree that such terms shall have the meanings as amended by the PUCT or ERCOT. The term "System Security Study" shall have the same definition as "Security Screening Study" in the ERCOT Requirements.
- E) Miscellaneous
 - Each Party shall be solely responsible for keeping itself informed of, and understanding its respective responsibilities under, all applicable North American Electric Reliability Corporation ("NERC") Standards and ERCOT Requirements and all valid, applicable laws, rules, regulations and orders of, and tariffs approved by, duly constituted Governmental Authorities.
 - 2) CenterPoint Energy has documented data specifications that define the operational data CenterPoint Energy requires to perform real-time monitoring. These specifications are incorporated in Section 11 above, Exhibit 'F' Outage and Clearance Coordination Procedure, and Exhibit 'G' Telemetry Specification.
 - 3) Each Generator shall provide on its property access roads to the TIF, and the access roads will be maintained by such Generator in such a manner and condition to allow passage of heavy utility vehicles. Otherwise, such Generator shall provide, or cause to be provided, such perpetual easements as reasonably needed by TSP, in a form acceptable to TSP and at no cost to TSP, to use

and construct access roads from nearest road to the TIF in such a manner and condition to allow passage of heavy utility vehicles.

- 4) If available, Generators shall provide access to existing restroom facilities and potable water facilities located at the Plants to TSP and TSP's personnel, contractors, subcontractors and agents, provided, that TSP shall be responsible for any damage caused to such facilities by such parties. Such access shall be limited to personnel engaged in normal operations and maintenance activities.
- 5) Each Party's personnel, contractors, subcontractors, and agents shall abide by and comply with the other Party's reasonable safety requirements and procedures while in areas designated as under that other Party's control.
- 6) In the event that a Generator's personnel, contractors, subcontractors, or agents cause delays in the work schedule of TSP, such Generator shall reimburse to TSP the additional costs associated with such delays within 30 days of receipt of an invoice for such costs.
- 7) Each Generator understands and agrees that identification of any, including but not limited to stability, oscillation, harmonic, short circuit, over frequency, under frequency, over voltage, under voltage, phase imbalance, or geomagnetic disturbance conditions that may affect such Generator's Plant and implementation of any associated protective measures, are the sole responsibility of such Generator.
- 8) ERCOT Requirements.
 - (i) Unless expressly stated herein, where the ERCOT Requirements are in conflict with TSP's specifications or procedures, the ERCOT Requirements shall prevail.
 - (ii) ERCOT requirements currently require installation of power system stabilizers on generators.
 - (iii)Prior to commercial operation, ERCOT may verify that a Generator is meeting ERCOT Requirements, including complying with Guide and Protocol requirements on RARF modeling, telemetry and testing, as well as complying with reactive standards, the provision of accurate stability models, and the installation of power system stabilizers, if required. It should be noted that a Generator will not be able to energize the GIF until authorized by ERCOT (typically 30 days after the TIF is modeled and energized). Failure to meet these ERCOT Requirements may result in delays to commercial operation.
- 9) All generator data, including data for stability studies (transient and voltage) and subsynchronous resonance data, as required by the ERCOT Requirements, shall be provided to ERCOT and the TSP before commercial operation. This data shall be updated when the Plants begin commercial operation. Any updates to this information will be provided within 60 days to ERCOT and the TSP as changes or upgrades are made during the life of the Plants. This requirement applies to all future owners of the Plants. The Generators and any future owners of the Plant shall comply with these data requirements along with all applicable NERC Standards. Such Standards are subject to change from time to time, and such changes shall automatically become applicable based upon the effective date of the approved change.
- 13) Special Operating Conditions, if any, attached: None.
- 14) Cost Estimate Differences, if applicable:
 - A) The difference between the estimated cost of the TIF under 4.1.A (\$__N/A___) and the estimated cost of the TIF under 4.1.B (\$__N/A___) is: __N/A__, if applicable.

Exhibit "E" Security Arrangement Details

- A) The total estimated project cost to construct the TIF as described in Exhibit "C" (less any CIAC amount described in Exhibit C) is approximately \$15,200,000.00 (the "Security Estimate"). The Security Estimate does not include the estimated cost for obtaining any required CCNs for the TIF. The Parties at this time do not anticipate that a CCN is required for the construction of the TIF. However, if TSP determines that a CCN is required to construct the TIF or any portion thereof, the estimated cost for obtaining the CCN will be added to the Security Estimate (with such addition, the "Revised Security Estimate").
- B) In accordance with Section 8.3 of Exhibit A, TSP requires Cutlass to deliver the Security in the form described below in the amount of the Security Estimate or Revised Security Estimate by the Scheduled Start Date for the Cutlass Plant specified in Exhibit "B."
- C) In accordance with Section 8.3 of Exhibit A, TSP shall return the Security after the first of the two Plants achieves its Commercial Operation Date, without regard to which Plant's Commercial Operation Date occurs first. Following such date, there shall be no obligation of either Generator to provide Security.

LETTER OF CREDIT OPTION

D) Cutlass shall provide the Security in the form of an irrevocable letter of credit in favor of TSP issued by a financial institution reasonably acceptable to TSP having a long-term debt rating by Moody's Investor Services of "A3" or better, and Standard & Poor's long-term debt rating of "A-" or better.

CUTLASS II CIAC

E) In accordance with Section 8.1 of Exhibit A, TSP requires Cutlass II to provide a contribution in aid of construction ("CIAC") in the amount of \$50,000.00 for expenses related to engineering, technical, administrative and project management fees to accommodate the interconnection of the Cutlass II Plant. The CIAC shall be made as an electronic funds transfer to the TSP pursuant to the instructions provided on Exhibit D.

Exhibit "H" Attached Drawings





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